ESTTA Tracking number:

ESTTA220723 06/26/2008

Filing date:

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91177156
Party	Plaintiff H-D Michigan, Inc.
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Date	06/26/2008
Attachments	Signed Not of Rel. No. 8.pdf (21 pages)(184773 bytes) Exhibits 1-17 for NOR 8.pdf (69 pages)(3177247 bytes) Exhibits 18-29 for NOR 8.pdf (57 pages)(2690653 bytes) Exhibits 30-41 for NOR 8.pdf (58 pages)(4396909 bytes) Exhibits 42-52 for NOR 8.pdf (54 pages)(2523874 bytes) Exhibits 53-71 for NOR 8.pdf (60 pages)(2357996 bytes) Exhibits 72-85 for NOR 8.pdf (48 pages)(3063420 bytes) Exhibits 86-98 for NOR 8.pdf (53 pages)(5592884 bytes) Exhibits 99-108 for NOR 8.pdf (59 pages)(5741044 bytes) Exhibits 109-117 for NOR 8.pdf (45 pages)(5290140 bytes) Exhibits 118-122 for NOR 8.pdf (29 pages)(4209976 bytes) Exhibits 123-127 for NOR 8.pdf (31 pages)(4643312 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

H-D MICHIGAN, INC.,

Opposer

٧.

BRYAN BROEHM,

Applicant.

Opposition No.: 91177156

JESUS / HOLY-DIVINESON CHRIST

Mark: Serial No.:

Filed:

78896325 May 30, 2006

OPPOSER'S NOTICE OF RELIANCE NO. 8 UNDER 37 CFR § 2.122(e)

H-D Michigan, Inc. ("Opposer") submits of record in connection with this opposition proceeding a representative sample of unsolicited printed publications available to the general public in libraries and on the NEXIS database, as well as printed publications, transcripts and wire service articles of general circulation among members of the public, under Trademark Rule 2.122(e) and *In re Cell Therapeutics, Inc.*, 67 USPQ2d 1795, 1798 (TTAB 2003). In addition, this notice includes advertisements for products bearing Opposer's marks as they appeared in printed publications available to the general public in libraries and in general circulation among members of the public.

This evidence is relevant to the issues of likelihood of confusion and dilution, and shows, among other things: the nature and extent of the public exposure to the HARLEY and HARLEY-DAVIDSON marks and names; the fame of Opposer's marks; the strength and distinctiveness of Opposer's marks; the intense unsolicited media attention on Opposer's marks over numerous decades; the widespread public recognition of Opposer's HARLEY and HARLEY-DAVIDSON names and marks by the

media, the general public, and many different industries; and the advertising and promotion of Opposer's products under its marks.

The attached articles appeared between 1974 and 2008 in major U.S. publications, including but not limited to newspapers and magazines such as Newsweek, Business Week, Forbes, USA Today, The Washington Post, The Wall Street Journal, The New York Times, The Los Angeles Times, The Chicago Tribune, The Houston Chronicle, The Philadelphia Inquirer, The Dallas Morning News, The Financial Times, The Sacramento Bee, The San Francisco Chronicle, The Milwaukee Journal, The Oregonian, and many others.

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
1	4-24-2008	Kathleen Brady Shea and Nancy Petersen, "Motorcyclists pay tribute to Harley dealer Smaltz," <i>The Philadelphia Inquirer</i> , Section PHILADELPHIA, P-com Gallery Repository, Pg. B01
		"the Honey Brook resident and his wife, Karen , ran a popular Harley-Davidson dealership in Eagle, Chester County."
2	2-10-2008	Hilary Howard, "Biker Shrine: Harley-Davidson to Open Museum," <i>The New York Times</i> , Section TR, Column O, Travel Desk, COMINGS AND GOINGS, Pg. 2
		"It will also house some very famous bikes, like Elvis Presley's 1956 motorcycle and Serial No. 1, the first Harley (1903)."
3	1-24-2008	Steve Sievert, "UFC is hoping Lesnar can do heavy lifting," <i>The Houston Chronicle</i> , Section SPORTS, Pg. 2
		"The UFC signed a deal this month with Harley-Davison that puts the company's famous logo in the center of UFC's octagon and on event-related signage."
4	1-19-2008	"Today's Business," <i>The Myrtle Beach Sun-News,</i> Section BRIEFS, Pg. 2
		"The deal calls for Harley-Davidson to place its famous logo"

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
5	12-2-2007	"A Celebration of Firsts in Delaware," <i>The Washington Post</i> , Section SUNDAY SOURCE, Pg. N08
		"One hundred thousand people drive by New Castle every day, and most don't stop," says Mike Schwartz, founder of Mike's Famous Harley-Davidson, which is right off the highway."
6	9-16-2007	Mel Shields, "Bikers rev up Reno with Street Vibration," Sacramento Bee, Section TICKET, Pg. TK40
		"Reno's Harley-Davidson outlet offers the popular Dyno Drags."
7	9-9-2007	Bill Freehling, <i>The Free Lance-Star</i> , Section BUSINESS AND FINANCIAL NEWS
		"Among the top-rated big companies in the B400 are famous names such as Harley-Davidson, PepsiCo"
8	8-17-2007	Jesse Smithey, "Harley Davidson ready to ride at Midway," <i>Knoxville News-Sentinel</i> , Section PREPXTRA; Pg. 31
		"Midway High School's Harley Davidson poses for a picture. He is named after the famous motorcycle brand."
9	8-15-2007	Company spotlight column, <i>Ventura County Star</i> , Section BUSINESS AND FINANCIAL NEWS
		"a great selection of officially branded merchandise from well-known companies like Coca Cola, Harley-Davidson"
10	6-24-2007	Terry Box, "Biker chic Women have become a driving force in motorcycle sales, making up 10% of riders," <i>The Dallas Morning News</i> , Section BUSINESS, Pg. 1D
		"Once the noisy macho ride of biker toughs and still the industry's most popular cruiser, Harley-Davidson appeal to women riders"
11	6-16-2007	Joe Michaud, "Mechanic's DVD series allows Harley owners to get their fix," <i>The San Diego Union-Tribune</i> , Section AUTO, Pg. L-3
		"The popularity of Harley-Davidson cannot be denied."

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
12	6-7-2007	"The Seventy Most Influential Black Men In The Auto Industry," <i>The Tennessee Tribune</i> , Section: IN THE DRIVER'S SEAT; Pg. 12 Vol 18 No. 23
		"top posts at many other well-known names in auto manufacturing, services, and racing too. Harley Davidson motorcycles, XM Radio"
13	5-26-2007	Rick Romell, "Hearse lets Harley Fans Have One Last Ride," <i>The Milwaukee Journal Sentinel</i> , Section A News; Pg. 1
		"local manufacturing icon Harley-Davidson Inc., which carefully guards it famous brand."
14	4-1-2007	"Reverse Engineering Revs Up The Engine of Savings: Data Gathering Replaces Hand Modeling at 'World of Wizards'; Automotive Inspection," <i>Tooling and Production</i> , Section: Pg. 16(6) Vol. 73 No. 4
		"All the famous names are included: BMW, Harley Davidson Ducati"
15	11-6-2006	"Harley-Davidson Proving its Poluarity on eBay According to Research by Terapeak," <i>Business Wire</i>
		"Over the past century Harley-Davidson has established itself as the most well-know motorcycle brand on the planet, with one of the most loyal customer bases of any brand."
16	10-13-2006	"Earnings Spotlight: AUTOMOTIVE: Harley-Davidson Net Surges As New Models Lift Results," <i>The Wall Street Journal</i> , Pg. B2
		"The Milwaukee company said retails sales of Harley-Davidson motorcycles grew The iconic motorcycles are now sold in more than 60 countries"
17	8-7-2006	David Kiley, "Best Global Brands; How the BusinessWeek/Interbrand Top 100 companies are using their brands to fuel expansion," BusinessWeek, Pg. 54
		"45 Harley-Davidson Still the king of the hogs."
18	6-5-2006	"Throwback bikes; Ride back in time to regain that feel," <i>Grand Rapid Press</i> , Section YOUR LIFE, Pg. D1
		"This new attention to bikes that look like they're from the golden age of motorcycles shows why Harley Davidson has stayed so popular."

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19	4-20-2006	"Stock Alert: Emerging Public Company Passes Evaluation of Abercrombie & Fitch and Signs New Contract!", Market Wire
		"The company entered into production and sale cooperation agreements with a number of internationally famous brands such as LEVI'S, GUESS (GES), OLDNAVY, BROOKS BROTHERS, HARLEY-DAVIDSON (HDI)"
20	2-22-2006	Cynthia Koons, "Harley Davidson Markets to Women," The Wall Street Journal
		"Harley-Davidson Markets to WomenHarley has built a marketing strategy to bring more women into what it likes to call the 'Harley-Davidson family.'"
21	1-21-2006	Tom Strongman, "Ford's Harley-Davidson F-150 now offers all-wheel drive," <i>The Kansas City Star</i> , Section H, Pg. 1
		"Harley-Davidson is riding a wave of popularity, and many of them reside in upscale suburban garages"
22	10-19-2005	Preiti Sharma Shahane, "U.S. to Step Up Footwear Imports," <i>The Economic Times</i>
		"famous brands such as Sebago, Merrell, Hush Puppies, Harley Davidson and Caterpillar."
23	10-13-2005	"Harley-Davidson Quarterly Earnings Up," <i>The New York Times</i> , Section C. Pg. 6
		"Harley-Davidson Inc. said Wednesday that its third-quarter profits rose nearly 16 percent, citing robust motorcycle shipments worldwide."
24	8-1-2005	"Global Band Scoreboard: The 100 Top Brands; Here's how we calculate the power in a name," <i>BusinessWeek</i> , Pg. 90
		"46 Harley- Davidson"
25	7-25-2005	Ray Allegrezza, "Great Workplaces Don't Come Cheap," <i>Furniture Today</i> , Editor's Desk, Pg. 4
		"which companies are making the grade. I found some well-known names—Starbucks, Sherwin-Williams, Harley-Davidson and Microsoft."

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26	7-25-2005	Staff, "Harley-Davison Rocks, Thanks to Troutman," Furniture Today, News; Pg. 129
		"is introducing a line of rockers emblazoned with the famous logo of a new customer, Harley-Davidson."
27	6-30-2005	"University of Florida Names Associate Vice President For Marketing, Public Relations," US States News
		"Hice joins UF after a long career with some of the nation's most respected and well-know recreational product brands, including Harley-Davidson"
28	4-10-2005	Scott Williams, "1986 'Right to Know' Law Helps Neighbors Keep Track of Chemicals; Companies' Stockpiles, Emergency Preparedness Plans on File With County," <i>Milwaukee Journal Sentinel</i> , Section W Waukesha County, Pg. 1
		"Others filing plans include such well-known names as GE Medical, Cooper Power Systems, Kraft Foods and Harley- Davidson."
29	4-1-2005	Rebekah Bennett; Sharyn Rundle-Thiele, "The Brand Loyalty Life Cycle: Implications for Marketers," <i>Journal of Brand Management</i> , Vol. 12, No. 4; Pg. 250
		"Brand communities are groups of consumers whose common theme is their usage of a particular brand. Jeep and Harley-Davidson are two well-known brands that have established brand communities"
30	4-1-2005	Marv Balousek, "Coming Soon: More Options for Shopping, Eating," Wisconsin State Journal, Capital Region Business Journal, Pg. 18
		"The success of The Paradies Shops comes partly from pairing stores with well-known brands like Harley-Davidson"
31	2-20-2005	Charles Emerick, "Brothers Acquire Harley-Davidson Franchise," Waterloo Courier
		"Now the Lumettas have two well-known brands in Miller and Harley-Davidson under one umbrella."
32	November	Vanity Fair, Special Advertising Section
	2004	"Harley Davidson is proud to salute women who rock the mainstream"

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
33	10-28-2004	"Briefly: Columbia Helicopers Will Ferry National Tree," <i>The Oregonian</i> , Section SOUTH ZONER, Pg. D02
		" ' Harley Davidson is probably the most popular motorcycle in the world today,' West Linn Police Chief John Ellison said."
34	10-9-2004	Julian Guthrie, "90 years and counting for Harley Dealer," <i>The San Francisco Chronicle</i> , Section BAY AREA, Pg. B6
		"Although the assembly of the first Ford Model T in 1908 eventually cut into motorcycle sales, the Harley Davidson would grow in popularity after the company was founded in 1903."
35	9-30-2004	Juliana Koranteng, "Rivets, Riveting Magical Tours," <i>Amusement Business</i> , Section: PARKS AND ATTRACTIONS
		"From soft-drink giant Coca-Cola Co. to slick auto brand BMW to chocolate maker Hershey's to famed bike producer Harley-Davidson, brand producers are"
36	9-15-2004	"Ascential Software Previews Ascential World 2004 Events," PR Newswire, Section: Financial News
		"Teerlink is credited with re-establishing the world-famous Harley-Davidson brand"
37	8-2-2004	"Cult Brands; The <i>BusinessWeek</i> /Interbrand annual ranking of the world's most valuable brands shows the power of passionate consumers," <i>BusinessWeek</i> , Pg. 68
		"41 Harley- Davidson The motorcycle icon"
38	7-18-2004	"Chick-Fil-A Chief Says good Hires Key to Success," Florida Times- Union, Section BUSINESS; Pg. G-1
		"Cathy's goal is to have his family-owned company's brand ranked with such well-known (and beloved) companies as Krispy Kreme and Harley-Davidson."
39	6-13-2004	Andrew Leckey, "Leisure stocks having a great time," <i>Chicago Tribune</i> , Section BUSINESS, ZONE C, Pg. 5
		"He also recommends Harley-Davidson Inc. (HDI), the famous motorcycle company that boasts a solid and growing cult following."

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40	5-10-2004	Miles Moore, "Brand Positioning; Unlike More Glamorous Products, Tires Can Be Tough to Market; Usually the Medium is Indeed the Message," <i>Tire Business</i> , Pg. 1
		"Harley-Davidson is a prime example, he added; the motorcycle manufacturer extended its well-known brand to clothing and even an erstwhile theme restaurant"
41	3-21-2004	Valerie Whitney, "Take a Stroll Through; A Unique, Beachside Retail Complex and You'll Soon See theNew Colors of Ocean Walk," Daytona Beach News Journal, Section E, Pg. 1E
		"Daytona Harley-Davidson sells clothing for men and women, as well as some children's attire with the famed Harley name."
42	2-26-2004	Richard Truett, "This Bike Proves Big is Better; Triumph Says Its Rocket III Will Go From Zero to 60 MPH in Just 2.9 Seconds," <i>Orlando Sentinel</i> , Section RIDE, Pg. F1
		"Harley-Davidson: America's most popular motorcycle company rolls into two locations this year for Bike Week."
43	January 2004	Anonymous, "Harley-Davidson Financial Services Revs Up Its Dealer Payment System," <i>AFP Exchange</i> , Section: Vol. 24, No. 1;; Pg. 14-16
		"an organization with 100 years of experience developing creative and strategic initiatives that drive the well-known Harley-Davidson brand."
44	9-23-2003	"Owens & Minor Ranks First in the 2003 InformationWeek 500," PR Newswire, Section: Financial News
		"Owens & Minor led the way among other well-known companies such as General Motors, FedEx, and Harley-Davidson."
45	8-31-2003	Randall Pinkston, "High gear; Harley-Davidson celebrates 100 years," CBS News Transcripts
		"Ed Youngblood is the curator of the 'Heroes of Harley- Davidson' exhibit at the Motorcycle Hall of Fame Museum in Ohio."
46	8-4-2003	"Global Band Scoreboard: The 100 Top Brands; Here's how we calculate the power in a name," <i>BusinessWeek</i> , Pg. 72
		"44 Harley- Davidson"

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47	7-18-2003	Lloyd Price, "Luxurious Touches Soften Rough, Tough Chevy Trucks," Pittsburgh Post-Gazette, Section Business, Pg. B-12
		"Some, such as Ford, have licensing arrangements with such well-known brands as Harley Davidson"
48	7-15-2003	Jack Sirard, "Fund Manager Eschews Stars for Consistent Performers," Sacramento Bee, Section Business, Pg. D1
		"In recent weeks, Nygren has added two well-known names to his investment portfolio, Automatic Data Processing, Inc. (ADP) and Harley-Davidson Inc. (HDI)"
49	6-12-2003	"Harley-Davidson Marketing Veteran Clyde Fessler Joins Redline's Board of Directors," <i>Business Wire</i>
		"Harley-Davidsonone of the most successful companies and well-known brands in the world." "a brand strategy that has endured for over 20 years and enabled Harley-Davidson to be inducted into the Marketing Hall of Fame;"
50	4-19-2003	Jason Compton, "Pinball Gamely Hanging On; Machines Hard To Find in Computer and Video Game World," <i>Chicago Tribune</i> , Section Business; Zone: C, Pg. 3
		"games produced by Stern since its rebirth have been well-known licensed names, from the Simpsons to Harley-Davidson"
51	April 2003	"Marketing for 'Motorheads'. (Rollouts).", Business and Industry Point of Purchase, Section Pg. 25 vol. 9 No. 4
		"includes other well-known brands such as Harley- Davidson."
52	2-18-2003	Jim Kneiszel, "Velocity Finds Speed Equals Success," <i>Green Bay Press-Gazette</i> , Section Business, Pg. 6C
		"And customers have included well-known names like Georgia Pacific and Harley-Davidson."
53	1-14-2003	"Paul Tracy Recommends the Following Stocks: Amgen, First Data and Harley Davidson," <i>Business Wire</i>
		"This maker of heavyweight motorcycles should have no trouble riding on its well-known brand name"

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54	11-30-2002	G. Chambers Williams, III, "Harley, Ford Continue Marriage; New Cross-Branded Trucks Offer Special Features," San Antonio Express-News, Section DRIVE; pg. 1J
		"Ford has added yet another model to its line of F-150 pickups co-branded with the famous Harley-Davidson name."
55	9-1-2002	"Harley-Davidson® Safety Eyewear.; New Products," Roofing Contractor, Section Pg. 69(2) Vol. 22 No. 9
		"features a bluemirror lens engraved with the Harley- Davidson name. The brand name and famous bar-and-shield logo are also prominently featured on the front."
56	8-5-2002	"The 100 Top Brands; What's in a name? Plenty, if you play your cards right," BusinessWeek, Pg. 95
		"46 Harley- Davidson Masterful job of selling Baby Boomers on a high-margin symbol of youthful rebillion."
57	7-25-2002	Elain Louie, "CURRENTS: MOTORCYCLE; 100 Years of Vroooooooom, As Harley-Davidson Hits the Road," <i>The New York Times</i> , Section F, Column 1, House & Home/Style Desk, Pg. 3
		"Harley-Davidson is celebratin the 100th anniverary of its founding with Open Road Tour"
58	7-18-2002	Ray Hughey, "Biker Nirvana Weathers Economic Bumps In Fine Shape," <i>The Oregonian</i> , Section SOUTHWEST ZONER, Pg. 06
		"row after gleaming row of famed Harley-Davidson motorcycles,"
59	May 2002	Jeffrey R. Kosnett, "A Gold Bug Gets It Right," <i>Kiplinger's Personal Finance</i> , Section Vol. 56, No. 5; Pg. 70
		"It mostly holds well-known large and midsize companies, such as Amgen and Harley-Davidson."
60	4-26-2002	"Wolverine Reports It's On Solid Footing To Meet This Year's Sales, Profit Goals; Shoemaker Expects to Increase Sales 15 percent in 2002," Grand Rapid Press, Section BUSINESS; Pg. A6
		"It also works with well-known companies, such as Caterpillar, the maker of earthy-moving equipment, and Harley Davidson motorcycles, to create licensed shoe brands."

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61	3-18-2002	Tim Woodward, "Vintage Two-Wheelers Draw A Crowd," <i>The Idaho Statesman</i> , Section LOCAL; Pg. 3
		"the show offered a representative sampling of motorcycle mania, from famous names such as Harley-Davidson"
62	12-21-2001	Bob Golfen, "Guitarmaker Moves Into HQ Fender Holds Open House at New Offices," <i>The Arizona Republic (Phoenix)</i> , Section NORTHEAST PHOENIX COMMUNITY, Pg. 1
		"Just as with another famous U.S. brand, Harley-Davidson, new owners built the franchise"
63	5-31-2001	Peter Porco, "Harley loses role with APD; HOGLESS: The Police Department's motorcycle officers are now riding RMWs with antilock brakes," <i>Anchorage Daily News</i> , Section METRO, Pg. B1
		"Harley-Davidson, the most famous name in mortorcycles"
64	4-28-2001	"Harley Cruising Into Hall of Fame," <i>Milwaukee Journal Sentinel</i> , Section BUSINESS; Pg. 03D
		"Harley-Davidson Corp. of Milwaukee will be named to the Marketing Hall of Fame in June"
65	4-27-2001	Stuart Elliot, "THE MEDIA BUSINESs: ADVERTISING ADDENDA; Honors for Staples and Harley Davidson," <i>The New York Times</i> , Section C; Column 2; Business/Financial Desk; Pg. 3
		Harley-Davidson in Milwaukee and Staples Inc. in Framingham, Mass., are being named to the Marketing Hall of Fame Harley Davidson will be honored in the classic category, for brand with strong leadership position for more than 25 years."
66	March 2001	Mike Miller, "A Strong Brand is Essential to Your CU's Success," <i>Credit Union Magazine</i> , Section Vol 67, No. 3; Pg. 24
		"an excellent example of successful brand development and management. The product manufacturer is famous for producing is ironically not its most successful financially. The company is Harley Davidson."
67	9-1-2000	Tom Feare, "Following A Fixed Path; Conveyors, Overhead Monorails, and Wire- or Raid-Guided Vehicles are Among The Many Ways for Moving Materials," <i>Modern Materials Handling</i> , Section EQUIPMENT REPORT, Pg. 53
		"Behind another well-known brand name, Harley-Davidson, there are several"

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68	8-30-2000	Andy Dworkin, "Want Your Kid To Look Like Sports Star? Just Do It," The Oregonian, Section BUSINESS; Pg. B03
		"But the company is a big maker of kids clothes under license with famous brands, such as Barbie coats and fake-leather Harley-Davidson jackets."
69	4-27-2000	"Wal-Mart Stores to Exclusively Offer Mary-Kate and Ashley Fashion Line For Young Girls and 'Tweens," PR Newswire, Section FINANCIAL NEWS
		"The Beanstalk Group represents such other world-famous brands as Harley-Davidson, The Coca-Cola Company, and McDonnald's."
70	1-31-2000	David McGuire, "****Lottery Companies Merge, Target Internet," Newsbytes PM
		"a company that licenses famous trademarks such as James Bond, Harley Davidson,"
71	10-5-1999	Judy Fahys, "Court Backs Utah, Tuition Vouchers; State Wins Right to Tout Snow as 'The Greatest'; Snow Motto is Utah's, Court Declares," Salt Lake Tribune, Section: Final; Pg. A1
		"its concern about protecting its brand identity was shared by such famous trademark-holders as Revlon, John Deere, Listerine, Harley-Davidson"
72	8-23-1999	Fara Warner, "Shake-Up in Light Trucks in Coming Down the Pike — new Marketing, Hybrids and Small, Specialized Runs May Have a Big Impact," <i>The Wall Street Journal</i> , Section Industry Focus; Pg. B4
		"The Harley-Davidson F-150, meanwhile, trades on the macho appeal of the famous motorcycle brand…"
73	4-20-1999	Patrick Jenkins, "Trump Rolls Harley into Taj Mahal," <i>The Star-Ledger</i> , Section BUSINESS; Pg. 21
		"Trump is bringing in another famous brand name to Atlantic City's Boardwalk. Harley-Davidson - and its rough and tumble image"

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74	2-4-1999	"The Children's Footwear Group of Wolverine World Wide Launches First Product Line," <i>Business Wire</i>
		"introduction of a full line of children's footwear under the Company's Hush Puppies, Caterpillar, Harley-Davidson and Colemen labels. The brand power of these famous names will give the Company an unmatched presence"
75	11-1-1998	Barbara Jacobs, "Creative Newsletters & Annual Reports: Designing Information; Review," <i>American Library Association Booklist</i> , Pg. 473 Vol. 95 No. 5
		"Some of the more famous company names in the U.S. are featured as outstanding examples— including a Harley-Davidson annual report"
76	5-1-1998	Bill Reed, "Harley Haven; Hammerhead Classic Featured Fancy Motorcycles and Camaraderie - Plus Bikers; Left Behind \$10,000 for The Leukemia Society," <i>The Virginian-Pilot</i> , Section Virginia Beach Beacon, Pg. 06
		"all of which are manufactured under the famed Harley- Davidson logo."
77	2-12-1997	Jody Davis, "Big Bikes for Boomers," CNNFN, Section Business
		"Harley's done a very, very good job of marketing what Harley- Davidson is and positioned Harley as a company to their customers."
78	6-20-1996	"Best Bets; Ventura County Weekend," Los Angeles Times, Section Calendar; Part F; Page 1A; Zones Desk
		"Famous names such as Indian, Harley-Davison, Triumph and BSA will rev it up"
79	2-3-1995	Maria Carlino, "Zippo Manufacturing Co.", <i>Journal of Commerce</i> , Section foreign Trade, Pg. 4A
		"Zippo has also developed series employing well-known trademarks or personalities such as Harley Davidson and Elvis Presley."
80	11-15-1994	"General Publishing Group Celebrates the Holidays with Something for Everyone," <i>PR Newswire</i> , Section Entertainment, Television, and Culture
		"A century later the Gibson name is as world famous as Coca- Cola and Harley Davidson."

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6-10-1993	Jeff Flock, "Harley Davidson Celebrates Its 90th Anniversary," CNN
	"The popularity of the Harley Davidson, though, is unquestioned as attested by the backs of shirts on the members of the Harley Owners Group which is where the H.O.G Hog comes from."
2-24-1992	James Sterngold, "American Business Starts A Counterattack in Japan," The New York Times, A1
	"a romantic attraction for the kind of muscular American image the Harley-Davidson name still evokes."
3-17-1991	Geet Sharma-Jensen, "Motorcycle chic; Accessories rev up big sales for Harley's merchandise chief," <i>The Milwaukee Journal</i> , Section Business, Pg. D1
	"Harley Davidson's MotorClothers is helping build Harley chic."
11-17-1990	Douglas Marten, "Mount Those Harley hogs, Oh You Wild Men and Cork That Beaujolais!" <i>The New York Times</i>
11-11-1990	John Fauber, "Harley speeds into the '90s; Company looks for an encore to its dramatic turnaround," <i>The Milwaukee Journal</i> , Section Business, D1
	"Ironically, Harley's popularity has increased so much"
8-31-1990	Robert L. Rose, "Vrooming Back; After Nearly Stalling Harley Davidson Finds New Crowd of Riders; It Sheds Hell's Angels Image, Markets to Professionals and Aging Baby Boomers," <i>The Wall Street Journal</i> , Pg. A1
	"It was a mystique molded by popular culture and encouraged by the manufacturer, Harley-Davidson Inc."
July/August 1989	Harley Women, An Asphalt Angels Magazine
June 1989	American Iron
	The magazine for people who love Harley-Davidson Motorcycles
3-16-1989	"From '60s Hippies to '80s Yuppies, Harley Has Appeal," Panama City Herald
	DATE 6-10-1993 2-24-1992 3-17-1991 11-17-1990 11-11-1990 8-31-1990 July/August 1989 June 1989

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
90	3-2-1989	Judie Brown Taggart, "High on the Hog; Harleys drive biker gear into mainstream fashion," <i>Tampa Tribune</i> , Pg. 1F
		"Harley-Davidson is posed to roar full throttle onto the fashion scene."
91	2-27-1989	Dave Jensen, "Harleys 'charisma' revs up sales at dealership," The Business Journal
		"It's gotta be 'hog' heaven, being a Harley Davidson enthusiast and owning one of the company's dealerships in the same area where the guts for more than 50,000 of the legendary motorcycles are manufactured each year."
92	12-11-1988	Jon Bashor, "Harley-Davidson reclaims market share and image; Hogs in with California's 'in' crowd," ContraCostaTimes, Pg. 7A
		"But Milwaukee iron is more than a machine it's an image, a mystique that Harley"
93	7-10-1988	"Harley-Davidson 85th Birthday party succeeded on all fronts," The Milwaukee Journal
94	6-14-1988	Jim Stingl, "Hog Heaven: Harley riders will converge here Saturday," The Milwaukee Journal, 1A
		"That may explain why thousands of people who own and love Harley-Davidson motorcycles are rumbling toward Milwaukee, to where it all began 85 years ago for the only motorcycle produced in America today."
95	6-13-1988	Jon Connole, "Harley-Davidson now dominates U.S. market," <i>The Business Journal</i> , vol. 5, No, 36
		"Harley-Davidson Inc.'s legendary 'hogs' have cornered the U.S. market for large motorcycles."
96	5-8-1888	"Letters: Harley's Hogs," New York Times, Section 3 Business
97	June 1988	Milwaukee Iron
		"What Harley is is an all-encompassing, all-American way of life."
98	9-10-1987	Bruce Horovitz, "Lorillard Plans to Take on the Marlboro Man With 'Racy' Harley-Davidson Cigarettes," Los Angeles Times, Section 4 Business, Pg 1

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
99	8-2-1987	Ron Leys, "Sitting Pretty On Milwaukee Iron," Wisconsin Milwaukee Journal Magazine
		"Everywhere we went, from the small towns along Highway 6 to the rest stops along the interstates, it was the Harley-Davidson that brought the attention."
100	7-1-1987	"Harley puts stock on sale with a roar," The Milwaukee Journal Pg. 1A
101	5-5-1987	Warren Brown, "President Regan to Tour Motorcycle Producer's Plant; Harley-Davidson Comes Roaring Back," Los Angeles Times, Section BUSINESS, Part 4, Pg. 1, Co. 2
		"The company is Harley-Davidson Inc., the only U.Sbased manufacturer of big motorcycles the kind made famous by the infamous Hell's Angels; the kind featured in movies such as 'Easy Rider' and 'The Wild One'"
102	4-2-1987	Roderick Oram, "Riding Free Again; Harley-Davidson," <i>Financial Times</i> , Section I Editorial, Pg. 24
		"The sole survivor of 143 companies which built motorcycles in the US, Harley has financially regained its position as market leader for motorcycles"
103	3-18-1987	Stuart Auerbach, "Harley Asks End To Tariff; 'Hogs' Regain Sales Behind Duty Barrier," <i>The Washington Post</i> , Section Business, Pg. H1
		"Chairman Vaughn L. Beal Jr. tells the Hill of Harley- Davidson's comeback."
104	3-17-1987	Mike Robinson, "Motorcycle Maker Harley Calls for End to Import Restraints," Associated Press, Section Business News
		"Harley-Davidson products, dating from 1903, are a new legendary part of Americana"
105	March 1987	"The Once and Future King; American iron no longer dominates the racetracks or showrooms of the land. But with Harley-Davidson's FLST Heritage Softail, the enduring style of those halcyon days has returned," <i>Rider</i> , Pg. 36
		"Harley sticks by tradition and its fast and reliable 61- and 74- inch big twins, saying that it knows what is best for American riders."

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
106	March 1987	Brent Ross, "Homeland Heavyweights; The FLST Heritage Softail, FHRT Sport Glide and FLTC Tour Glide Classic are three similar but distinct ways to roll down the big-twin touring trail," <i>Rider</i> , Pg. 39
		"Yet one stubborn Western builder refuses to admit that the Eastern sun has truly risen: Harley-Davidsonis alive and kicking."
107	11-3-1986	"The Ultimate Tribute to Harley-Davidson Motorcycles," Forbes, Pg. 26
		"While our lone American survivor holds only 5% of the U.S. market, Harley-Davidson is beginning to build anew with leaned-down, much improved manufacturing and management."
108	12-2-1985	"Harley's hogs," Forbes, Pg. 15
		Harley's biggest asset, however, is the loyalty of Harley bikers."
109	April 1985	"Penthouse and Harley-Davidson. Of Man and Machine." Penthouse
		"Harley Davidson builds more than motorcycles. They build legends."
110	July 1983	"Rider of the month: Ricky Graham," American Motorcyclist, Pg. 40
		"Riding his Tex Peel-tuned Harley-Davidson, Graham picked up two firsts and three seconds on the miles last year."
111	3-14-1983	Michael V. Uschan, "Harley-Davidson vows to fight Japanese motorcycle makers," <i>United Press International</i> , Section Domestic News
		"The Harley-Davidson Motor Co. claims it builds 'American Motorcycle,' and the big Harley 'hog' is in truth the only American-made machine For years, the Harley was the only big chopper on the American road. For some, it became a symbol of the nation's power and independence."
112	11-22-1982	"A pileup that may total Harley," <i>Business Week</i> , Section INDUSTRIAL PRODUCTION, Pg. 92B
		" Harley-Davidson Motor Co., the last U.S. producer, whose famous heavyweight 'hogs'"
113	June 1982	"More small Harley news," Easyriders, Pg. 44

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
114	2-28-1981	Agis Salpukas, "U.S. Group Set to Buy Harley," <i>The New York Times</i> , Section 2; Page 29, Column 5; Financial Desk
		"The new company, which will own the famous Harley- Davidson name"
115	8-21-1978	"Harley-Davidson: A revival as macho motorcycles take off," <i>Business Week</i> , Section Corporate Strategies, Pg. 110
		"They are called 'hogs' in the motorcycle trade, and for much of this century the unmistakable, deep-throated growl of the heavyweight bikes from Harley Davidson Motor Co turned on a small cult of leather jacketed rebels and American gypsies."
116	5-19-1978	Peter Ross Range, "May's the Month the Vrooms Bloom," The Washington Post, Section Sporting Life
		"White's Ferry became a veritable motorcycle convention: the occasional chopped Harley."
117	10-2-1977	Henry Allen, "Men's Fashion: I Dress, Therefore I Am," <i>The Washington Post</i> , Pg. 21
		" our hiatus look tells the world we just got off our trailer truck, horse, deer stand, Harley or expert's slope."
118	9-4-1977	Phil McCombs, "RVs and Bikes- Lifestyles in Motion," The Washington Post, Pg. A1
		" 'When I was a 10-year-old kid in Memphis, N.W. my sister was eight years older and had a boyfriend who had an old police Harley."
119	5-18-1977	Michael Kernan, "Bullies: Short or Tall, They're Scary," <i>The Washington Post</i> , Section Style, Pg. B1
		" he roared up behind me on his Harley."
120	5-10-1977	Angus Phillips, "Sweet Life Is for Motorcyclist," <i>The Washington Post</i> , Pg. D1
		"He actually did throttle down once to let a water cooled Harley road racer by"

EX. NO.	PUBLISH DATE	AUTHOR, ARTICLE TITLE, PUBLICATION NAME, AND RELEVANT EXCERPTS
121	3-3-1977	Angus Phillips, "Choosing the Right Motorcycle for Your Needs and Bankroll," <i>The Washington Post</i> , Pg. D10
		" there are the King of the Road, the smooth, powerful and inordinately expensive BMW and the Sultan of the Universe, the top-of line Harley-Davidson."
122	February 1977	"Whole Hog: Most say archaic, some sat right on," Big Bike
		"These improvements are added to the tried and true Harley design Harley continues to refine what will remain the standard of the industry."
123	October	"'77 FLH Hallelujah Machine," Motorcyclist
	1976	"His Majesty The Hog: The Ever-Loving Chug-a-Luggin' Monster Motor Sports A Trick Throne For 77 King and Queen"; "Equally qualified in this strict delineation of purpose is Harley-Davidson's 1200cc FLH V-twin, the largest, longest, lowest, heaviest, toughest load-haulin' super cruiser of the tourers, The Electra-Glide, King of the Highway."
124	5-3-1976	"Motorcycles: The dip continues," Business Week
		"Harley-Davidson Motor Co and the only U.S. motorcycle maker, is not suffering as severely as its Japanese competitors."
125	4-14-1973	"It All Seems a Waste," Newsweek
		"He began laying away cash, saved up for a Harley-Davidson and wheeled it into a shed"
126	October 1974	Cook Neilson, "Laguna Seca: Order Restored," Cycle, Pg. 50
		"Kawasaki had rented the track for an exclusive, uninterrupted test session, and Yvon duHamel, whose Randy Hall turned H2R had been no faster than Gary Scott's 750 Harley-Davidson at Loudon"
127	February	"And a Partridge In a Pear Tree," Cycle Guide, Pg. 12
	1974	"Throughout the year, you haven't tested on Harley- Davidson…

Respectfully Submitted,

David M. Kelly Linda K. McLeod

4 adellers

Date: June 26, 2008

Jonathan M. Gelchinsky

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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing OPPOSER'S NOTICE OF RELIANCE NO. 8 UNDER 37 CFR § 2.122(e) was served by first class mail, postage prepaid, on this 26th day of June 2008, upon Bryan Broehm at the following address:

Bryan Broehm 331 Gazetta Way West Palm Beach, FL 33413-1053

Susannah Klank

Mark: CHRIST

Motorcyclists pay tribute to Harley dealer Smaltz The Philadelphia Inquirer April 24, 2008 Thursday

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April 24, 2008 Thursday CITY-D Edition

SECTION: PHILADELPHIA; P-com Gallery Repository; Pg. B01

LENGTH: 587 words

HEADLINE: Motorcyclists pay tribute to Harley dealer Smaltz

BYLINE: By Kathleen Brady Shea and Nancy Petersen; Inquirer Staff Writers

BODY:

As the casket bearing the body of William J. "Stretch" Smaltz was lowered into the earth yesterday, the minister's wife saluted a larger-than-life character.

"Wow! What a ride," exclaimed Linda Grill, and applause arose from the sea of mourners crowded into the church cemetery near Skippack.

The burial service punctuated a daylong, 40-mile tribute to the 68-year-old Smaltz, a well-known figure in motorcycling circles.

From 1993 until his death last week from cancer, the Honey Brook resident and his wife, Karen, ran a **popular Harley-Davidson** dealership in Eagle, Chester County. He was even better known as an activist, having helped organize the Philadelphia Ride for Freedom 17 years ago to support POWs and MIAs - an annual event that attracts more than 4,000 motorcyclists.

Hundreds of them accompanied Smaltz on his last ride yesterday. It began at St. Peter's Church in West Brandywine, Chester County, where the 2,000 seats were not enough to hold the mourners. The procession took a circuitous route so as to pass Smaltz's shop, which was closed in his memory.

The long column, which included a state police escort, then roared north up Route 100 to Route 422, blocking traffic. More than an hour later, the cycles arrived at Wentz's United Church of Christ in Worcester, Montgomery County. It took almost 15 minutes for everyone to make the turn off Skippack Pike into the cemetery.

"They generally don't close roads unless it's the president or the pope," said Mike Tomcavage, 58, of Norristown, a close friend of Smaltz's. "Lots of folks must have been wondering who he was."

As word spread that Smaltz had lost his long battle with kidney cancer Friday, friends said, they were inundated with requests from police departments, fire companies and civic

leaders.

"Everyone said, 'What can we do?' " said Russell Smith, president of the Blue Comets motorcycle club.

Smith said Smaltz's services, which included a Coast Guard flag-presentation ceremony and a luncheon at the Blue Comets headquarters, was a collaborative effort that evolved almost automatically. It brought together mourners ranging from businesspeople in suits to bikers in leather and colorfully patched denim.

Tomcavage said he was fortunate to know exactly who Smaltz was.

"Stretch would do anything for you. That says it all," he said. "Anyone else here is going to say the same thing."

Smaltz was a charter member of the Philadelphia chapter of Rolling Thunder, a national nonprofit group dedicated to raising awareness of POW and MIA issues. But his compassion also manifested itself closer to home. In 2006, after the Amish schoolhouse shootings in Nickel Mines, Lancaster County, Smaltz helped organize a ride to benefit the victims that raised more than \$42,000.

Ted Barrett, 66, of West Norriton, said members of the Amish community had visited Tuesday to pay their respects.

"There was only one Stretch," he said.

Lorraine Leaming, 60, a fellow Harley-Davidson dealer from Salem County, recalled Smaltz as "very passionate about motorcycles and people."

"Just to show you his magnitude," she added, the president and vice president of Harley-Davidson came from Milwaukee for the services. Smaltz was a past president of the Eastern Harley-Davidson Dealer Association.

Karen Smaltz said she was overwhelmed by the outpouring of support and affection for her husband.

"It was exactly what he would have wanted," she said. "He's definitely smiling."

Contact staff writer Kathleen Brady Shea at 610-701-7625 or kbrady@phillynews.com.

GRAPHIC: Photograph by: Feed Loader

LOAD-DATE: April 24, 2008



Biker Shrine: Harley-Davidson to Open Museum The New York Times February 10, 2008 Sunday

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February 10, 2008 Sunday Late Edition - Final

SECTION: Section TR; Column 0; Travel Desk; COMINGS AND GOINGS; Pg. 2

LENGTH: 157 words

HEADLINE: Biker Shrine: **Harley-Davidson** to Open Museum

BYLINE: By HILARY HOWARD

BODY:

Diehard motorcyclists: Milwaukee could be your destination of choice this year. The Harley-Davidson Museum (www.h-dmuseum.com) scheduled to open this summer in downtown Milwaukee (the company's home for over 100 years), will have 130,000 square feet of exhibition space, a restaurant, a shop, meeting space and the Harley-Davidson archives.

It will also house some very famous bikes, like Elvis Presley's 1956 motorcycle and Serial No. 1, the first Harley (1903). Museumgoers will be able to stay at the Iron Horse Hotel, also opening this summer in downtown Milwaukee. The hotel will have 100 rooms with luxury amenities like walk-in showers, iPod docking stations and flat-screen televisions, a gym, a yoga studio, spa treatment rooms and the Boiler Room, with a hot tub, a cold pool and urban views. For riders, the hotel will offer secure, covered motorcycle parking. Nightly rates will range from \$179 to \$319 (www.theironhorsehotel.com).

URL: http://www.nytimes.com

GRAPHIC: PHOTO

LOAD-DATE: February 10, 2008

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January 28, 2008 Monday 3 STAR EDITION

SECTION: SPORTS; Pg. 2

LENGTH: 723 words

HEADLINE: UFC is hoping Lesnar can do heavy lifting

BYLINE: STEVE SIEVERT, Staff

BODY:

The Ultimate Fighting Championship is counting on Brock Lesnar to follow a script of a different kind - winning real fights and, in the process, reinvigorating its heavyweight division.

The former World Wrestling Entertainment star has left behind the phantom punches and choreographed outcomes of professional wrestling to fight for real in mixed martial arts. Lesnar, 30, has been training full time in MMA for two years and won his debut last June in a 69-second destruction of an overmatched and undersized Min Soo Kim in a K-1 show at Los Angeles.

For an encore, Lesnar faces former UFC heavyweight champion Frank Mir on Saturday in UFC 81 at Las Vegas.

Signing Lesnar is a high-profile gamble for the UFC, which has long avoided importing professional wrestlers for fear of diluting its talent base. But the promotion was seduced by Lesnar's athleticism and amateur wrestling background.

"I've got a lot to lose in this," said Lesnar, who compiled a 106-5 record in collegiate wrestling and was a two-time All-American at Minnesota. "I'm tabbed as this professional wrestler, but people tend to forget that I was an amateur wrestler for 18 years and competed at a high level. This is my road to, hopefully, becoming the UFC heavyweight champion."

The UFC would like nothing more.

A year ago, its heavyweight division was on the upswing. Hall of Famer Randy Couture was poised to come out of retirement, Mirko Filipovic signed a big contract and former champ Andrei Arlovski was back in the win column after losing a pair of fights. Couture has since resigned, Filipovic is contemplating retirement, and Arlovski and the UFC remain at loggerheads over a contract extension.

MMA's premier promotion saw Lesnar as the lighting rod to bolster the division and wasted

little time in making him the focal point of a major pay-per-view show. He adds WWE fans to the legion of UFC faithful and fires up MMA die-hards, who cringe at the prospects of a former pro wrestler succeeding in a real combat sport.

"From a business standpoint, the UFC had only one option," Lesnar said. "They are going to try to get the best bang for their dollar, and they have to do it this way. And, I don't want it any other way. I want to be tested right away.

"They have high hopes for me to exceed in this sport, and they're going to book me with somebody we can draw some money with."

Mir is that somebody. He won the vacant UFC heavyweight title in 2004, stopping Tim Sylvia with an armbar that broke Sylvia's right forearm. Just three months after becoming champion, Mir suffered a broken leg and torn knee ligaments in a motorcycle accident.

"I've been a hundred percent for a while now," said Mir, who returned to the octagon in 2006. "So there's no excuses. There are a lot of mental aspects behind being severely injured that I've had to contend with. The doctor cleared me physically, and I haven't had to make any adjustments."

In addition to a decided edge in MMA experience against Lesnar, the 28-year-old Mir (10-3) will have advantages in the stand-up game, and his jiu-jitsu skills are battle-tested. Lesnar's strength will be the equalizer.

"Obviously, Brock Lesnar is stronger than I am," Mir said. "He's stronger than most anybody he competes against, so if I just lay there, I'm going to get crushed. But, if I can use constant motion, move around and use some speed; the same thing when a little guy fights a big guy in the gym. He has to keep the fight moving."

UFC talking TV

In its quest for more mainstream acceptance, the UFC has secured the blue-chip sponsor it has long coveted. But moving its brand of fighting to network television remains a work in progress.

The UFC signed a deal this month with **Harley-Davidson** that puts the company's **famous** logo in the center of UFC's octagon and on event-related signage.

The promotion also has sought to expand its television presence beyond a cable partnership with Spike TV to network television.

Recent published reports suggested a deal with CBS was imminent, but Craig Borsari, UFC's senior vice president of operations and production, says no agreement has been reached.

"We're talking to a lot of different networks right now," he said. "We have several events that we're doing in the UK, and we're looking for broadcast partners for all of them."

The first of those shows is expected to take place in June.

NOTES: Steve Sievert covers mixed martial arts for the Chronicle. mixedmartialarts@earthlink.net

LOAD-DATE: January 28, 2008

Mark: (ARSUS MOLY DIVINESON

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THE SUN NEWS

Found on MyrtleBeachOnline • com
The Myrtle Beach Sun-News (South Carolina)

January 19, 2008 Saturday

SECTION: BRIEFS; Pq. 2

LENGTH: 911 words

HEADLINE: Today's Business

BODY:

UNITED STATES

WALL STREET

Stock market ends week with loss, pessimism

New York | Wall Street ended a painful week with another decline Friday as skittish investors unable to hold on to much optimism about the economy drew little comfort from President Bush's stimulus plan.

The day's trading reflected how fractious Wall Street has been in the new year. Investors pulled back from a big early advance, with the major indexes trading mixed as Bush began to speak. By the time the president finished announcing a plan for about \$145 billion worth of tax relief, the indexes were well into negative territory.

Coming after Bush's announcement, Friday's pullback made it clear that the stock market is in for a protracted period of uncertainty and continued declines.

For the week, the Dow and the Nasdaq composite index lost 4 percent, while the Standard & Poor's 500 gave up 5.4 percent. In the 13 trading sessions of 2008, the Dow has lost nearly 9 percent, while the S&P has fallen 9.75 percent and the Nasdaq nearly 12 percent.

INSURANCE

Allstate files appeal against state order

State regulators told <u>Allstate</u> on Thursday to stop writing policies for what officials said was a failure to comply with a state subpoena in a dispute over the premiums the company charges for homeowners insurance in Florida.

The 1st District Court of Appeal stayed the order from the Office of Insurance Regulation pending the appeal, although it gave the office 10 days to show why the company shouldn't be allowed to sell insurance in the meantime.

Ed Domansky, a spokesman for the Office of Insurance Regulation, said the state has 10 days to file its response but would probably file sooner.

SPONSORSHIPS

UFC and Harley-Davidson team up

New York | On its way to becoming a mainstream sport, Ultimate Fighting Championship has long courted a sponsor that could bolster its image.

The fast-growing UFC is finally getting one. The Las Vegas-based company that specializes in mixed martial arts is teaming up with Milwaukee-based <u>Harley-Davidson Motor Co.</u> +UFC President Dana White, whose company surpassed more than \$200 million in customer retail revenue for the second year in row, said it was the first time UFC had landed a major sponsor in a long-term deal.

"Every year, we've taken this thing to another level but the one thing that wasn't there was the big, blue chip sponsor," White said. "I think it's just the beginning. It's a perfect **brand** for us and the perfect **brand** for them."

The deal calls for **Harley-Davidson** to place its **famous** logo in the center of UFC's **well-known** Octagon, where the fighters duke it out in usually explosive and sometimes bloody fashion, and at weigh-in backdrops and news conferences.

AMBAC FINANCIAL GROUP

Company's strength downgraded by agency

 $New\ York\ |\ A\ downgrade$ of bond insurer Ambac Financial Group Inc. is likely to have farreaching effects, making it more difficult for cities to issue new bonds and forcing further write-downs at financial services companies, analysts said Friday.

After Ambac scrapped plans to raise \$1 billion in capital, Fitch Ratings cut the company's crucial financial strength rating to "AA" from "AAA."

The downgrade likely means Ambac will not underwrite any more business, said John Flahive, director of fixed income for BNY Mellon Wealth Management. Market prices of existing bonds insured by Ambac and MBIA Inc. were trading lower before the downgrade, and Flahive suggested any downgrade could accelerate the decline.

Ambac and chief competitor MBIA together insure \$700 billion in municipal bonds, and MBIA's "AAA" rating is also under threat. The company issued \$1 billion in bonds this week to preserve the rating, though that may not be enough to satisfy the ratings agencies. MBIA said in a statement Friday it intends to keep working toward maintaining its "AAA" rating.

CONFERENCE BOARD

Falling index indicates declining economy

New York | A gauge of future economic activity skidded 0.2 percent in December, registering its third consecutive monthly decline and signaling that the U.S. economy likely will weaken further in coming months.

The Conference Board said Friday that its index of leading indicators fell to 136.5 last month - its lowest reading in more than 2 years - after declining 0.4 percent to a revised 136.8 in November and 0.7 percent to 137.3 in October. The December drop was slightly more than the 0.1 percent decline expected by analysts surveyed by Thomson Financial/IFR.

The index is watched as an indicator of where the U.S. economy is headed in the next three to six months.

WORLD

JAPAN

Consumers losing optimism for economy

Tokyo | Consumer sentiment in Japan worsened in December, falling to its most pessimistic level in four and a half years, the government said Friday.

The index for the Cabinet Office's consumer confidence survey, which measures consumers' economic outlook for the coming six months, fell 1.8 points from the previous month to 38.0 in December. It was the third straight month of decline and brought the index to its lowest reading since June 2003, when it stood at 36.9.

Consumer spending makes up about 55 percent of Japan's economic activity. Fears have been growing recently about negative effects on the Japanese economy from the U.S. credit crunch and the plunge in stock values on Wall Street.

From wire reports

LOAD-DATE: January 19, 2008



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The Washington Post

December 2, 2007 Sunday Every Edition

SECTION: SUNDAY SOURCE; Pg. N08

DISTRIBUTION: DC

LENGTH: 343 words

HEADLINE: A Celebration of Firsts in Delaware

BODY:

WHERE: New Castle, Del.

WHY: Eat like a Colonial, 18th-century attire is the new black, and Harley hogs gone to heaven.

HOW FAR: About seven miles from start to finish.

On Friday, party in New Castle like it's 1787.

Two hundred and twenty years ago on Dec. 7, Delaware ratified the U.S. Constitution, becoming the first of the 13 original states to officially assert its independence. And though the signing took place in Dover, Del., the best place to celebrate in 18th-century style is in the state's first capital, New Castle.

Most likely, if you've driven Interstate 95 between Baltimore and Philadelphia, you've seen New Castle flash by. But that's new New Castle. You need to venture a little farther -- in miles and time -- to get to Old New Castle.

Settled by the Dutch in 1651, New Castle became a wealthy town in the 1700s, thriving as a transportation hub for goods and travelers and as a center of legal activity and government. In 1776, it became the state capital, but in 1777, the encroaching redcoats chased the powdered wigs to Dover. Yet even after the legislature fled, New Castle remained an important stagecoach stop and a destination on horse-drawn railroad lines. But in the 1840s, the city was bypassed by the new steam coaches, and its heyday was history.

Luckily for day-trippers, New Castle's short stint as a well-to-do capital left it with a well-preserved town center that has earned National Historic Landmark status. Today, the

narrow cobblestone streets lead to stately structures built in the Federal, Georgian and late Victorian styles. Rather than being closed off with velvet ropes, the stolid buildings invite visitors inside to their restaurants, pubs and museums. And while the historic downtown might not be as lively as the newer section, that's part of its Old America charm.

"One hundred thousand people drive by New Castle every day, and most don't stop," says Mike Schwartz, founder of Mike's **Famous Harley-Davidson**, which is right off the highway. "But those that do stop find New Castle to be a treasure."

-- Ben Chapman

GRAPHIC: IMAGE; Map By Jerome Cookson For The Washington Post; Photos By Ben Chapman For The Washington Post

LOAD-DATE: December 2, 2007

Mark: JESUS HOLY DIVINESCON

Bikers rev up Reno with Street Vibrations Sacramento Bee (California) September 16, 2007 Sunday

Copyright 2007 McClatchy Newspapers, Inc. All Rights Reserved Sacramento Bee (California)

September 16, 2007 Sunday METRO FINAL EDITION

SECTION: TICKET; Pg. TK40

LENGTH: 366 words

HEADLINE: Bikers rev up Reno with Street Vibrations

BYLINE: Mel Shields Bee Correspondent

BODY:

Reno's Street Vibrations, expected to draw 30,000 people, is said to be the sixth-largest motorcycle event around. This year's edition starts Friday and will feature cycle giveaways, parts swap meets, a tattoo expo, the America's Finest Custom Bike Builders Invitational, stunt shows, drag races and more.

Perhaps the most aptly named special event on Reno's calendar, Street Vibrations has grown steadily since its modest inception. It was figured that a city known for classic car displays and cruises during Hot August Nights would be a perfect setting for bikers, and its popularity has grown beyond prediction.

The streets of Reno are enticement enough for most riders, but it's a quick roar to Virginia City, Carson City, Truckee and Lake Tahoe.

- * Virginia City will feature about 60 vendors and provide special parking for more than 400 motorcycles.
- * Carson City's Harley- Davidson dealership has become a major sponsor. On Friday and Saturday, it will host stunt shows with Ill Conduct (Friday at 11:30 a.m. and 1:45 and 5:30 p.m.; Saturday at 11:30 a.m. and 2 and 3 p.m.), high-jumps from Liv Fast (Friday at 10:30 a.m., 1 and 4:30 p.m.; Saturday at 9:30 a.m., noon and 2:45 p.m.), and interspersed musical performances by Steel Breeze, Donny and the Wayrads, and the Party Girls. (775) 882-7433
- * Reno's **Harley-Davidson** outlet offers the **popular** Dyno Drags. Participants can test their bikes against the best each day during the festival (\$20 for three runs).
- * The Silver Legacy will host America's Finest, a display of custom bikes. The Tattoo Expo and motorcycle parts swap will be at the Sands Regency. Virginia Street will be closed to automobile traffic and will become a giant shopping mall with more than 350 vendors.

There surely are Harley riders out there who prefer to listen to Mozart or Johnny Mathis, but

they would hardly fit the stereotype. Thus, the casinos prefer to play it safe when it comes to the special concerts for this weekend.

The Scorpions, for instance, will play the Grand Sierra on Saturday. (8 p.m.; \$60.50, \$82.50; 800-648-3568)

George Thorogood and the Destroyers take the Silver Legacy stage on Friday (9 p.m.) and Saturday (8 p.m.) (\$30, \$40, \$55; 800-687-8733).

NOTES: RENO / TAHOE

LOAD-DATE: May 27, 2008



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Distributed by McClatchy-Tribune Business News

September 9, 2007 Sunday

SECTION: BUSINESS AND FINANCIAL NEWS

ACC-NO: 20070909-FB-FREEHLING-COL-20070909

LENGTH: 537 words

HEADLINE: The Free Lance-Star, Fredericksburg, Va., Bill Freehling Column

BYLINE: Bill Freehling, The Free Lance-Star, Fredericksburg, Va.

BODY:

Sep. 9--In the U.S. alone, there are the Standard & Poor's 400, 500 and 600; the Wilshire 5000; the Russell 2000 and many more.

Add one more to the list.

Barron's magazine introduced its recently created stock market index in the Sept. 3 edition. It's called the Barron's 400, and the magazine claims it's meant to be a money-making tool for investors. The Barron's index, which includes 400 U.S. publicly traded companies, differs from others.

Most U.S. stock market indices represent a specific segment of publicly traded companies. For example, the Russell 2000 is made up of stocks with small market capitalizations, while the Standard & Poor's 500 is composed of big companies.

The Standard & Poor's indices aim to include companies representing a broad portion of the economy. There is little turnover.

The Barron's 400 includes all size stocks. As of Aug. 24, it was about 34 percent large-cap, 19 percent mid-cap, 40 percent small-cap and 7 percent micro-cap. It includes all industry sectors; oil, industrial and financial stocks made up the largest portion as of Aug. 24.

Further, the Barron's list more closely resembles an actively managed mutual fund in terms of its turnover. The list is recalculated every six months. In back-testing to 1998, an average of 160 stocks were eliminated every six months and replaced by new ones. That turnover rate isn't especially tax-friendly.

Barron's picks its list of stocks based on the research methods of MarketGrader.com. That firm rates stocks in the broad-market Wilshire 5000 based on a company's growth, profitability, cash flow and stock valuation. The magazine considers it a "growth-at-a-reasonable-price" approach.

Each of the companies in the Wilshire 5000 is graded and then ranked. Real-estate investment trusts are eliminated, as are thinly traded stocks and those with a market cap

under \$250 million. At least a quarter of the Barron's list must be companies with a market value of \$3 billion or more. No industry can make up more than 20 percent of the index.

After all those and more tests are done, the remaining stocks with the highest rating become the B400, as Barron's is calling it. Each stock is weighted equally in the index, which has beaten the market over the past several years.

"For investors, the index could be a short-cut to finding promising stocks," Barron's writes.

While Barron's has provided investors with another starting point to research companies, it isn't doing it for purely selfless reasons. The B400 could be licensed as the basis of an exchange-traded fund and other financial products. The list is likely to drive traffic to the company's Web site.

Among the top-rated big companies in the B400 are **famous names such as Harley-Davidson**, PepsiCo and Microsoft. The full list is at Barrons400.com.

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LOAD-DATE: September 13, 2007



Harley Davidson ready to ride at Midway Knoxville News-Sentinel (Tennessee) August 17, 2007 Friday

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August 17, 2007 Friday

SECTION: PREPXTRA; 10 QUESTIONS: JESSE SMITHEY INTERVIEWS MIDWAY'S HARLEY

DAVIDSON; Pg. 31

LENGTH: 1099 words

HEADLINE: Harley Davidson ready to ride at Midway

BYLINE: Jesse Smithey covers high school sports. He may be reached at 865-342-6290.

BODY:

One high school football player has been at the top of my 10 Questions wish list for the last two seasons.

He is hardly a no-name. Still, I had to wait until he developed a football resumé. And my patience was returned in full Aug. 7- the day I finally interviewed Midway High School's Harley Davidson.

Yep. Harley Davidson. That's his real name. And the 5-foot-10, 170-pound running back/wide receiver didn't disappoint, just like Midway coach Craig Moser said he wouldn't.

"He's fun to be around," Moser said minutes prior to speaking with Davidson, whose middle name is Kincaid. "He's very personable. You can talk to him really easy. He'll make you laugh. He's a smart guy. He understands what's going on on the football field.

"He's a good guy to be around."

Not one of those statements came up false.

Davidson's horsepower should play a huge role in Midway's upcoming run. In the 2006 regular season, Davidson rushed for 238 yards on 32 carries and scored four times. He caught six passes for 112 yards and also made two interceptions as a defensive back.

He's an all-purpose vehicle more than a motorcycle.

"He's a slash guy for us," said Moser. "He lines up at tailback. He's our slot (receiver). He runs our wing. He lines up in the two-back split. "He's a versatile guy." Midway has 15 starters back from a team that went 7-5 and made the second round of the Class 1A playoffs. The Green Wave has appeared in the postseason seven consecutive years. Sure, Midway isn't the first team that comes to mind on a list of perennial playoff contenders. But that's fine with Davidson. "People do kind of overlook us," he said. "We have one of the hardest regions. We have a really tough region. But down here, football is life at Midway.

Friday nights it's packed. It's an atmosphere. I don't know how you'd say it, but we don't care that people overlook us. We just come down here to play ball how we want to play it."

But before Midway goes riding off into the sunset this season, Davidson must answer these 10 questions:

1. Let's get down to business. The name. Where'd you get it, man?

I don't know. It was my mom's thing. I guess it just went with my last name. My mom just called me Harley I guess.

Did your family have a love for the motorcycle?

Yeah. My mom used to be a really big biker.

2. You're what 5-10, 170 pounds? That's hardly the Harley Davidson hog size. You're more of a moped guy.

(Laughs.)

Just calling it like I see it. Is that how you run, like a moped?

I play like the Sportster, the Harley Davidson Sportster.

3. Do you like your name? If you could change it, what would you change it to?

I'll stick with my name. It gets old meeting new people. They always never believe it's your name, and you always gotta pull out your ID or something like that. Like whenever you get pulled over by the cops, they don't believe you.

You've been pulled over by the cops?

Yeah (laughs). Just for speeding.

How appropriate.

4. I got curious as to how many people are named Harley Davidson in America. So I went to whitepages.com - the phone numbers Web site - and looked up your name. Within 10, can you guess how many people came up?

Within 10, uhh.... Six?

Higher.

Eight.

Try 84.

84?

In America. But in Tennessee, there were only two. So you're still special.

5. You don't have the only famous name on the team. I think some people could pick out

Ray Robinson on the roster. Do you call him Sugar Ray at all? (Note: Sugar Ray Robinson was a five-time middleweight boxing champion between 1951 and 1960 and owned a 125-fight winning streak.)

Yes. That's his nickname "Sugar Ray." That's exactly what we call him "Sugar Ray Robinson."

Is it fun to have those nicknames on the team? Are there any other good ones on the team? PREPXTRA ALL-NAME TEAM

Camp Arnett (Webb)

Billy Ray Buster (Rutledge)

Richard Butkus (Loudon)

Harley Davidson (Midway)

Antezz Dieffenderfer (South-Doyle)

Rad Dieter (CAK)

Dom Digiovanni (Catholic)

Casper Dodgin (Pigeon Forge)

Lucky Duggan (McMinn County)

J.J. Goforth (Morristown West)

Storm Kyker (Sevier County)

Bear Plemons (Greenback)

Colin Powell (Clinton)

Saxon Prater (Catholic)

Ray Robinson (Midway)

Khiry Riddles (Fulton)

Ken Starr (McMinn County)

Bunkie Vanskiver (Greenback)

Moss Xiques (Central)

Oh yeah. That's a (tradition). When the freshmen come in, the first thing we do is sit them down and give them all nicknames. Everybody on the team has a nickname, pretty much. ... Everybody has a nickname. If you don't have a nickname, you're pretty much weird.

What do you call Coach Moser?

"C-Mo."

6. The size of your school - it being a 1A school - I can imagine that everybody at the school knows everybody. Is that good at times, that you always know the person walking next to you in the hallways?

It's good. But maybe not the whole school. Like if something happens, before you get to tell anybody, if you don't want anybody to know, they already know. But it's really good for the chemistry of the football team. We hang out a lot. A lot of us usually have the same classes. That chemistry helps us build more of a brotherhood, I'd guess you'd say.

7. I was curious about how Midway got the mascot Green Wave. You know anything about that?

No. But I remember when Midway first started we were called the Midway Jack and Jills. Yeah, it just changed to the Green Wave. We ain't complainin'.

Yeah, really. That's a little better.

8. Off the field, do you have any hobbies?

I like hunting a lot. I try to hunt during the hunting season. Or some Sundays we'll go play football, two-hand touch, with some of the Loudon football players. And just jumping off cliffs into the lake. Stuff like that.

Hunting. Some of that stuff you have to get up at like 3 or 4 a.m. right?

Whenever I go, I usually go with some of my family and we'll wake up at about 4 or 5 in the morning. We'll take a loaf of bread and some bologna and go out there all day.

9. I've heard you have a pretty big cheering section in the stands on Fridays. What's it like there?

We got crazy fence walkers. In the stands, that's where all the old, old players will sit. Then on the fence, it's players that graduated the year before or a couple of years before. They're psychotic. I'd hate to play against us because of our fans.

10. I looked at your schedule this year and noticed you guys will play some 3A schools. When you go up against teams like that, do you get intimidated or relish the chance to see how you stack up?

If we're intimidated, Coach Moser knows we're intimidated right off the bat. He builds us up and tells us what we need to do and pretty much when we go into the game we're ready to play ball. We're not intimidated at all.

GRAPHIC: JOE HOWELL/NEWS SENTINEL Midway High School's **Harley Davidson** poses for a picture. He is **named** after the **famous** motorcycle **brand.** A 2006 Heritage Classic Harley is seen in the background.

LOAD-DATE: August 17, 2007

Mark: (JESUS)

Ventura County Star, Calif., Company Spotlight column Ventura County Star (California) August 15, 2007 Wednesday

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Distributed by McClatchy-Tribune Business News

August 15, 2007 Wednesday

SECTION: BUSINESS AND FINANCIAL NEWS

ACC-NO: 20070815-VE-BIZ-SPOTLIGHT-20070815

LENGTH: 622 words

HEADLINE: Ventura County Star, Calif., Company Spotlight column

BYLINE: Ventura County Star, Calif.

BODY:

Aug. 15--CLASSIC ICONS:

--Owners: Ira and Berna McRoberts.

-- Product or service: Officially branded, licensing and nostalgic gifts.

-- Date established: July 2005.

--Location: Victoria Village, just off Ralston Street and Victoria Avenue in Ventura.

--Hours open: 11:30 a.m. to 7:30 p.m. Tuesday through Friday, 10:30 a.m. to 5:30 p.m. Saturday. Closed Sunday and Monday.

--Telephone: 644-3553.

--E-mail: info@classicicons.net

--Web site: www.classic-icons.com.

-- Employees: 4.

QUESTIONS TO BERNA MCROBERTS: What prompted you to start your own business?

ANSWER: Ira has had a custom screen-printing and embroidery business for more than 29 years. He was 23 when he started and has been working hard ever since.

Q: What is your educational and career background?

A: Ira started with a small loan from a friend in 1978 and didn't have time to go to college, so he immersed himself in learning how to manage a business by himself.

Q: How much research did you do before starting your business?

A: In 2003, Ira and I started thinking about opening a resort wear business in Hawaii. The idea never came to solidify, so instead, we started thinking about the friends, acquaintances and relatives who enjoy collecting or purchasing branded or licensing merchandise. After much prayer and extensive research, Ira and I decided to open Classic icons. The theme of the interior is tropical. Ira and I are very fond of our Hawaiian travels, and we tried to bring a bit of that warm, inviting, island atmosphere to the shopping adventure.

Q: What were the most helpful sources, including Web sites?

A: When we first started, it was very discouraging to find out that a lot of the licensing Web sites would not sell directly to us. A few were helpful and sent us a list of their distributors. Mostly it was a lot of time on the Web trying to find product and a lot of trade shows for the industry.

Q: When were you the most discouraged?

A: At the beginning, it's discouraging because you don't know which product is going to sell. It's a learning procedure to find that out. You do that by letting customers come in and letting you know what they want.

Q: What company or individual do you admire?

A: Definitely Coca Cola, M&M's and Walt Disney companies.

Q: What will make your business stand out from competitors?

A: This is an adventure that hopefully will bring the residents of Ventura not only a fun and friendly shopping atmosphere, but also a great selection of officially **branded** merchandise from **well-known** companies like Coca Cola, **Harley-Davidson**, Corona, NASCAR, John Deere, Betty Boop, etc. All the displays are arranged by brands. There's a wonderful assortment of coffee mugs, collectable figures, neon signs, wall clocks, watches and other exciting items.

Q: Who is your target client/customer base?

A: Everyone is invited to come with the whole family and tour the store. Customers will feel like they have found a place where they can find a special gift for anyone or themselves.

Businesses less than one year old can be profiled in Who's New in Business. Businesses older than one year can be profiled in Company Spotlight. Those owning franchises in the region can be profiled in Franchise Focus. Only businesses that have never been profiled in The Star may participate. For details or the questionnaire, call 437-0239.

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Glenview, IL 60025, USA.

LOAD-DATE: August 16, 2007

Mark: CARISTO

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Dallas News. com THE DALLAS MORNING NEWS

June 24, 2007 Sunday FIRST EDITION

SECTION: BUSINESS; Pq. 1D

LENGTH: 1128 words

HEADLINE: Biker chic Women have become a driving force in motorcycle sales, making up

10% of riders

BYLINE: TERRY BOX, Automotive Writer tbox@dallasnews.com

BODY:

As a child, Genevieve Schmitt would cover her ears when a giant motorcycle with loud pipes blasted past.

Today that big-twin thunder is music to her ears - and she's the one making the noise.

After decades of riding on the backs of bikes often driven by men, women in growing numbers are sliding to the front of the saddle and driving themselves, a movement Ms. Schmitt fosters as president of Women Riders Now, based in Livingston, Mont.

Women such as Patty Ryan of Denton and Darlene Davidson of McKinney account for at least 10 percent of motorcyclists in the U.S. today. And it's the fastest-growing segment in the graying \$9.7 billion motorcycle industry.

July, not coincidentally, is Women's Motorcycle Month.

"We are about a quarter of the way up the mountain," Ms. Schmitt, 43, said of the growing influence of women motorcyclists. "Women are kind of the transitional group as boomers leave the market and the industry tries to reach out to younger buyers. And I believe there are still thousands of women dreaming about getting motorcycles."

Ms. Ryan, 56, a family law attorney, quit dreaming and started riding nearly seven years ago. She had just turned 50, was recently divorced "and wanted to do something different."

In August 2000, Ms. Ryan, the mother of two grown children, bought a 2001 Harley-Davidson Lowrider that now has 45,000 miles on it.

"It has dramatically changed my life," she said recently from Alberta, Canada, while on a solo bike trip from Fairbanks, Alaska, to Texas. "If I'm around women who ride on the back, I'll tell them they should drive themselves."

Although the motorcycle industry is still fairly strong - manufacturers sold 1.1 million bikes in 2005, the most recent year for which figures are available - growth has slowed from the bike boom between 1995 and 2000, according to the Motorcycle Industry Council.

In addition, the average age of motorcyclists continues to increase, from 32 in 1990 to 41 today, said Jessica Prokup, a spokeswoman for the industry council.

"Women are definitely a driving force in the industry," Ms. Prokup said. "Women feel so much more empowered today than they did 10 years ago. And motorcycling today is more fashionable and hip than ever."

They may be a force gathering new momentum, she said.

"Women make up half of the students now enrolling in the Motorcycle Safety Foundation basic rider course," Ms. Prokup said. "That says to me there is lots of potential growth in women riders."

About 15 percent of Kawasaki's motorcycle sales are to women, the largest percentage in the industry, said Sean Alexander, a spokesman for the company. Harley-Davidson is second, with 12 percent women buyers.

Replacing boomers

"Baby boomers are reaching an age where they are moving away from motorcycle purchases," Mr. Alexander said. "Someone has to replace them over the next 15 years."

Industry analyst Don J. Brown says he doubts that the number of women riders will grow dramatically over the next decade - as some predict - or that they have even hit 10 percent of buyers now. But that's not the point, he says.

"I think it's the wrong way to look at it," Mr. Brown said. "It's a good thing to have women going into motorcycling, whatever their numbers are. They bring a different dimension to the industry."

Women are getting plenty of encouragement from motorcycle manufacturers. They accounted for about \$970 million in motorcycle sales in 2005.

Harley-Davidson, for example, has established a Web site for women, sells clothing and gear for women, and sponsors "garage parties" at Harley dealers to introduce women to motorcycling.

Most women don't want a bike designed specifically for them, so manufacturers aren't going that far, said Leslie Prevish, a product communications manager at Harley-Davidson who has been riding for 18 years.

"But there are thousands of women who dream of riding, and more are pursuing that dream," Ms. Prevish said. "Definitely, we see women as a potential growth group."

Right fit

Once the noisy macho ride of biker toughs and still the industry's most **popular** cruiser, **Harley-Davidsons** appeal to women riders partly because they are relatively low to the

ground and can be handled by shorter people of both sexes.

Likewise, Kawasaki has a cruiser model with a low seat height as well as three low-rider sport bikes.

In two of the three sport bikes, women probably account for 45 percent of the sales, Mr. Alexander said.

Kawasaki also "courts and supports" women motorcycle racers, he said.

"We realize we need to focus on the general public - not just so-called manly men - and that includes as many women as men," Mr. Alexander said. "The only way we are going to grow this industry is to reach out to nontraditional groups."

Ms. Schmitt, a former producer for Good Morning America who fell for motorcycling while doing a story on women bikers in 1990, believes that women account for at least 12 percent of bike buyers and are growing even faster than the industry acknowledges.

"That 10 percent number is five years old," said Ms. Schmitt. "In the last 10 years, we have seen a broader lineup of engines and bikes than in the past. The aftermarket has responded with clutches that are easier to pull in, seats that can be fitted lower to the ground, different pegs. All of that is clearly in response to the growing number of women riders."

'Close to elements'

Darlene Davidson of McKinney, a project analyst for Cadbury Schweppes in Plano, has been driving motorcycles since she was a child in Canada and even bought one for cheap transportation after she graduated from college.

"I had to take a little hiatus when I had kids," said Ms. Davidson, 44, whose sons are 13, 15 and 19. "It's something I grew up with. It's not an adrenaline thing. It's not speed. I get a rush from being outside, from being close to the elements."

She rides a 2003 Harley-Davidson Softail and puts about 10,000 miles a year on it. This week, she talked about motorcycles while packing for a bike trip to South Dakota.

Typically, Ms. Davidson said, she rides in a group out of Corinth.

Every other month, she participates in a "Women of Harley" ride.

"It's really cool," she said. "It's independence for women that we haven't always gotten. I'm probably going to ride as long as I can hold up the bike. When I can't, I'll buy a trike."

Ms. Ryan of Denton has similar intentions.

"I feel like I can handle anything now," she said. "It gives me a sense of freedom. It gives me a sense of peace."

ABOUT WOMEN RIDERS

42 median age of a female motorcyclist in 2003, up from 38 in 1993.

Nearly

60%

are married

28%

have a college or post-graduate degree

35%

have technical or professional jobs

SOURCE: Motorcycle Industry Council

DigitalEXTRA

Links: Log on for links for women interested in riding motorcycles.

dallasnews.com/extra

GRAPHIC: PHOTO(S): 1. (RAY LeBLANC/Special Contributor) Darlene Davidson, a project analyst for Cadbury Schweppes in Plano and mother of three teenage sons, puts about 10,000 miles a year on her 2003 Harley-Davidson Softail. 2. (Patty Ryan) Above: Patty Ryan of Denton took up motorcycling seven years ago when she turned 50 and had just gone through a divorce. The family law attorney recently embarked on a bike trip from Fairbanks, Alaska, to Texas. 3. Left: Genevieve Schmitt, head of Women Riders Now, fell for motorcycling while doing a story on women bikers in 1990 as a producer for Good Morning America. CHART(S): (LAURIE JOSEPH/Staff Artist) WOMEN ON WHEELS / SALES NEED A BOOST.

Mark: CIESUS HOLY BRUNKSON

Mechanic's DVD series allows Harley owners to get their fix The San Diego Union-Tribune June 16, 2007 Saturday

Copyright 2007 The San Diego Union-Tribune The San Diego Union-Tribune

June 16, 2007 Saturday

SECTION: AUTO; Pg. L-3

LENGTH: 697 words

HEADLINE: Mechanic's DVD series allows Harley owners to get their fix

BYLINE: Joe Michaud, SPECIAL TO THE UNION-TRIBUNE, Joe Michaud is a San Diego writer who also rides and restores motorcycles.

BODY:

The **popularity of Harley-Davidson** cannot be denied. Mention to any nonrider that you ride a motorcycle and they will inevitably ask if it's a Harley.

Coupling this name recognition with a market-driven demand for personal individuality has spawned a burgeoning aftermarket parts network. Catalogs thicker than city phone books are available; each is bursting with customization possibilities. It's tempting to browse these books and order additional bling.

But what about installation? Unless your shop guy makes appointments, it can often be a case of "drop it off and wait." Your job may only take a half day but there could be six bikes ahead of you. No one wants to leave their bike for a week.

Dennis Santopietro at Fix My Hog may offer a solution for the average do-it-yourselfer who has the desire to learn and the correct tools. Santopietro has previously produced a series of DIY maintenance DVDs for some of the most **popular**, current **Harley-Davidson** models.

The latest editions are the first to provide installation instructions for modifications and upgrades specific to the Softail/Dyna models and the Touring models. Engine mods shown are applicable to Evo, Twin Cam 88 and Twin Cam 96 engine configurations. Both the Softail/Dyna Bolt-On Performance Edition and the Touring Bolt-On Performance Edition include three DVDs, totaling nearly seven hours of close-up instructional video each.

The videos are shot using the shop technicians from previous issues and each procedure is illustrated in a clear, descriptive style. A complete list of tools is provided, and each tool is shown and explained. Specific information is given when needed for popular brand-name products like Mikuni, SuperTrapp, Barnett, PowerCommander, Dynojet and others.

In both sets, each DVD is indexed with projects generally becoming more technical as the video progresses.

The first DVD in the Softail/Dyna edition begins with basic projects. Brake lines, clutch

cables, throttle cables, intake/air cleaner, exhaust system and new fuel-curve mapping are the easy mods. A bit more involved are categories including carb/intake, custom headlights/passing lamps and digital gauges. The last disc brings out the specialty H-D shop tools. Inner/outer primary covers and a performance clutch require special shop pullers, and adding a new chrome front end, wheel and brake hydraulic systems will require an assistant and special tools.

The touring set features similar modifications but adds fairing removal/replacement. Those of us who own faired motorcycles know the anguish of removing/replacing expensive fairing sections. The H-D fairing is stuffed with an amazing array of equipment that must be kept in correct order. It made disassembling my Ducati look easy.

Those who have the necessary tools and can follow clear and precise directions can do these modifications. Common mechanic rules apply: Go slow, be sure you understand the procedures and don't force anything.

An interesting chapter for H-D hot rodders is an included discussion between Fix My Hog founder Dennis Santopietro, professional mechanic Bob LaRosa and American Iron editor Chris Maida regarding the EPA restrictions on performance upgrades. California leads the nation in planned regulations regarding alteration of engine components and in enforcing the 1979 Clean Air Act regulations. Eventually, all new engines may be required to carry EPA certification paperwork or permanent stickers showing compliance with the new clean air regs. Add the eventuality of biannual registration smog certifications to the mix and the outcome is uncertain.

That poses another question: Will anyone be legally allowed to modify any certified engine?

The videos were professionally scripted, shot and edited and all feature Bob LaRosa as head mechanic. LaRosa is a graduate of the Motorcycle Mechanics Institute and worked eight years for H-D. He owns a shop in Connecticut where these DVDs were taped.

Other titles offered in the Fix My Hog series are specific maintenance DVDs for particular H-D models including the Sportster series, Softail, and Touring models.

Check the Web site at www.fixmyhog.com, or e-mail info@fixmyhog.com; (619) 269-9321.

GRAPHIC: 1 PIC; CAPTIONS: Show host and chief mechanic Bob LaRosa (left) and mechanic Mark DiPietro work on a 1999 Harley-Davidson Softail.

LOAD-DATE: June 19, 2007

Mark: JESUS NOLY DEVINESOR

The Seventy Most Influential Black Men In The Auto Industry The Tennessee Tribune (Nashville) June 7, 2007 - June 13, 2007

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The Tennessee Tribune (Nashville)

June 7, 2007 - June 13, 2007

SECTION: IN THE DRIVER'S SEAT; Pg. 12 Vol. 18 No. 23 ISSN: 1067-5280

ACC-NO: 59089

LENGTH: 564 words

HEADLINE: The Seventy Most Influential Black Men In The Auto Industry

BODY:

ABSTRACT

Women are not overlooked; AAOW also publishes an annual guide to the most influential African-American women in the auto industry. In fact, the men's guide grew out of the women's guide. AAOW editor in chief, Lyndon Conrad Bell says; "Sometimes the best ideas are the obvious ones. We'd never seen a listing of the top sisters in the industry, so we decided to assemble one three years ago. It was so well received, the logical next step was to develop one of the brothers as well." AAOW's women's guide appears in December issues.

FULL TEXT

African Americans On Wheels Lists the Top Black Movers and Shakers

DETROIT, Mich - - The seventy black men holding the top jobs in the auto industry will be featured in the June/July issue of African Americans On Wheels magazine. Featuring men with positions at the vice-president level and above, the list includes people many in the industry may have heard of, like Ed Welburn, GM's first Black vice president of Design. And men some may not have heard of before, like Darryl Hazel of Ford, the first Black president of a car company in automotive history.

Black men hold top posts at many other **well-known names** in auto manufacturing, services, and racing too. **Harley Davidson** motorcycles, XM Radio, and Dale Earnhardt, Incorporated are all graced with men of color in their executive suites.

The guide, now in its second year for men and third year for women, is published by African Americans On Wheels magazine. Randi Payton, publisher of AAOW says; "There are many misconceptions about the role people of color play in determining the nature and variety of the cars we drive. Yes, fashion and trends are often guided by the whims of Black athletes and entertainers, but it is Black men like Ralph Gilles, leader of the team that designed the Chrysleir 300 that genuinely affect the nature of America's automobiles."

Women are not overlooked; AAOW also publishes an annual guide to the most influential African-American women in the auto industry. In fact, the men's guide grew out of the women's guide. AAOW editor in chief, Lyndon Conrad Bell says; "Sometimes the best ideas are the obvious ones. We'd never seen a listing of the top sisters in the industry, so we decided to assemble one three years ago. It was so well received, the logical next step was to develop one of the brothers as well." AAOW's women's guide appears in December issues.

Polling the major auto manufacturers, peripheral industries and organizations, AAOW editorat-large Mary M. Chapman assembles the guides. Chapman says; "It can be quite a challenge, often (to their credit actually) many organizations don't realize they have so many executives of color. It can really take some digging to uncover people in less visible areas of a company."

Published by On Wheels Incorporated, African Americans On Wheels magazine is a member of the family of the most trusted automotive publications in the United States that cater to people of color. Similar culturally specific automotive information is featured in AAOWs sister publications, Asians On Wheels and Latinos on Wheels. In addition to features on executives, the publications review new cars, trucks, SUVs, motorcycles and RVs. They offer financial information and lifestyle features about cars and the people of color who drive them. To subscribe to any of these publications, visit www.onwheelsinc.com.

GRAPHIC: Photographs

LOAD-DATE: August 28, 2007

Mark: CHRIST

Hearse lets Harley fans have one last ride Milwaukee Journal Sentinel (Wisconsin) May 26, 2007 Saturday

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May 26, 2007 Saturday Final Edition

SECTION: A News; Pg. 1

LENGTH: 912 words

HEADLINE: Hearse lets Harley fans have one last ride

BYLINE: RICK ROMELL, Staff, Milwaukee Journal Sentinel

BODY:

Reasons to check out the recent addition to the Krause Funeral Home's stable of hearses:

- 1. Only hearse in town with dual chrome potato-potato exhaust pipes.
- 2. Looks like the wagon that carried Billy Clanton to Boothill after the Earp brothers pumped him with lead at the O.K. Corral.
- 3. Still has that new-hearse smell.

Mark Krause's latest twist on funeral traditions features an air-cooled, twin cam engine; six gears; and a glass-sided carriage trimmed with crushed velvet.

It's a Harley. It's a hearse. It's a Harley hearse.

"Just trying to do something different," said Krause, who is known for just that.
"Milwaukee's a Harley town, and there are so many people (who) find recreation in motorcycles."

So why shouldn't they take their last ride on one - or, in this case, behind one?

And, figuring that many people will opt for motorcycle-led funeral processions, why shouldn't the Krauses put down almost \$100,000 on a customized Road King and its fancy carriage?

Krause is among a group of funeral directors nationwide that has been shaking up the tradition-bound business with practices that cater to a trend of less ceremony, more socializing and more personalization in funerals.

Seven years ago in a West Allis strip mall at 2247 S. 108th St., he opened what looks like a typical, brightly lighted retail store in all respects but one: It sells caskets, urns and memorial items, and lets prospective customers check the prices of similar items at area funeral homes.

Last year, Krause started offering funeral clients the option of having food served in the visitation room - alongside the casket and body.

Now, he has what he prefers to call "the Krause Funeral Home Motorcycle Hearse" out of sensitivity to local manufacturing icon Harley-Davidson Inc., which carefully guards its famous brand.

"For so long, funerals have been so reactive," Krause said. "I think that's part of the reason that people don't like funerals - that they've been so traditional. . . . If we can offer people more options and be more creative in the way we say goodbye, it will certainly broaden our clientele."

More personalization

Industry observer Doug Hernan said Krause's latest move fits the trend toward customizing funerals and giving them "a little bit more 'wow' factor."

"Really, it's a little bit more thinking about the funeral as theater," he said.

Hernan is executive editor of FuneralWire.com, an online news source for the death-care business. (Among featured articles: "Don't Call Me Sweetie! Terms of endearment can undermine your service to families & guests" and "The Cre-Need Squeeze: Why we can't count on preneed to offset cremation's growing drain on sales.")

"The funeral director of yesterday was more of an order-taker," Hernan said. "Today, he's expected to be an event planner."

So we're seeing things such as Harley-Davidsons drawing replicas of 19th-century funeral carriages, truck-loving deceased being carried to the cemetery in the backs of their pickups and farmers being pulled to their rest by John Deere tractors.

Meanwhile, people such as Jim Moritz, a Milwaukee-area man who makes cremation urns that look like tear-drop motorcycle gas tanks, are finding niches in the funeral trade.

Moritz said that his part-time business brought in more than \$100,000 last year, its first, and that 100 outlets now carry the urns.

"The whole field is getting more and more into memorialization and personalization," he said.

But for all the photo montages at visitations, edgier items such as the gas-tank urns and Harley hearses remain a tiny part of the U.S. funeral industry.

Tombstone Hearse Co., which built Krause's new vehicle, has sold all 18 of the custom hearses since the Pennsylvania firm was started five years ago.

But Jack Feather, the former construction and development company manager who founded Tombstone, is happy with his business. He's preparing to build three more hearses, gets referral fees from funeral directors who use the vehicles and has branched into side products such as a line of hot sauces (Red Hot Reaper, Hell's Gate Garlic and Pine Box Jalapeño).

"We've done some pretty big funerals already," Feather said. "Over 4,000 motorcycles in some processions."

Leasing possible

Krause - who said his three-wheel Harley and its carriage cost about as much as a conventional hearse - has owned the unit for two months. With no publicity, he said, it has been used about 12 times during that period.

Krause's brother, Gregg, drives the motorcycle during funerals, outfitted in a black leather vest, black denim jeans, black boots and a bolo tie with a buffalo-nickel clasp.

With the purchase, the Krauses own the rights to use the Tombstone Hearse throughout Wisconsin, opening the possibility of leasing it to other funeral homes for a fee. It's headed to Antigo for a funeral this weekend, Mark Krause said.

Not all the users are the families of bikers. Among Krause's clients selecting the hearse was the family of a 97-year-old woman.

That has given Krause an early distinction in the nationwide Tombstone Hearse family. The company's first customer, a Detroit-area funeral home, holds the mark for the coldest motorcycle-led procession - minus 10 degrees, Mark Krause said.

"But," he said, "we've got the record for the oldest person."

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LOAD-DATE: May 28, 2007

Mark: Jesus Mark:

Reverse engineering revs up the engine of savings: data gathering replaces hand modeling at 'World of Wizards'; automotive inspection Tooling & Production April 1, 2007

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Tooling & Production

April 1, 2007

SECTION: Pg. 16(6) Vol. 73 No. 4 ISSN: 0040-9243

ACC-NO: 162101595

LENGTH: 3640 words

HEADLINE: Reverse engineering revs up the engine of savings: data gathering replaces

hand modeling at 'World of Wizards';

automotive inspection

BODY:

Corbin-Pacific Inc. in Hollister, CA, has chopped its time to develop new motorcycle accessories by three-fourths. The gains come from reverse engineering its customized, handmade designs for saddlebags, fairings (windshields), back rests, and "smuggler boxes."

In a few years, says chief operating officer Tom Corbin, "this technology could double the size of our business" which is better known among motorcycle riders as Mike Corbin's "Workshop of Wizards." The system he referred to includes a laser scanner from Perceptron Inc., Plymouth, MI; software from Delcam, Windsor, Ont., Canada, a seven-axis portable coordinate measuring machine (CMM) from Romer Inc., Wixom, MI; and a five-axis router from Diversified Machine Systems (DMS), Gainesville, TX. In total, a \$400,000 capital investment was installedearly in 2006.

"Scanning is 75 percent faster than the hand methods we had been using," says Tom Corbin, Mike's son. "Those methods plus the time needed to find and train designers, have sharply limited our growth."

Corbin fairings, saddlebags, and "smuggler" boxes turn the motorcycle--a physical expression of power and self-assertion--into an elegant piece of mobile art. In doing so it brings together the kinetic and aesthetic sides of the rider's personality. "In motorcycles, the American passion for cars is multiplied tenfold," says Tom Corbin. "Bikes are a hobby and a love"

Adds marketing manager Greg Hurley: "This is an enthusiast-driven market. It is also an impatient market. Any time Corbin can save in developing new products helps keep customers loyal."

Many ideas come from visiting bikers during Corbin's annual Fourthof July rally in Hollister and a mid-October rally in Florida. Everything is built by hand and in-house. Total employment is nearly 200. Founded in 1968, the Hollister plant has grown to 82,000 sq ft.

The product development process at Hollister starts with choosing several motorcycles from each year's crop of about 30 new street bikes, off-road bikes, and scooters. All the **famous names** are included: BMW, **Harley Davidson**, Ducati, Honda, Indian, Kawasaki, Suzuki, Triumph, Vespa, Yamaha, and many others. Corbin also makes motorcycle components such as spoilers and grilles plus furniture that replicates the rear seats of classic cars. There is competition, of course--but Corbin dominates the marketplace.

Working in a studio jammed with motorcycles, eight designers called "shapers" sculpt the left-hand halves of each new product in modeling clay. All Corbin products are axis-symmetrical along a vehicle centerline, so only half need be modeled. These are highly stylized and conform artistically to the lines of the specific bike.

Sculpting each new half-model takes shapers about a week. As soon as they finish, model makers duplicate and mirror-image the right-hand halves in a two-part urethane plastic. That completes the model--also known as a master or a plug--from which the molds are made. Prior to reverse engineering, completing the models and making molds took four more weeks. Now they are done in just one week, three-fourths less time.

Actual parts are rotationally molded in a thermoset polyurethane using hand-laid-up molds. Then parts go to routers that deflash the parts and cut openings for doors, locks, and attachment points. After surfaces are smoothed by hand-finishing, the products are assembled, coated, painted, and polished until glossy. Corbin uses a rotational molding machine from Rotokinetics, Athens, GA, and plans to buy two more.

"These new tools really empower the company to become more imaginative, to create more exquisite, more finely detailed new products," Tom Corbin says. "The key to any successful company is being involved with the customers and, for us, that means a steady flow of great newdesigns."

Mike Corbin's Workshop of Wizards is first and foremost a manufacturer. Every office except that of owner Mike Corbin faces into the factory, even Tom Corbin's. The studio where products are born is just one door away.

It was obvious to Tom Corbin that technology was an avenue of growth. "But first," he says, "we had to figure out a way to scale up thebusiness from eight shapers to 32 and make a corresponding increase among the model makers. That would allow us to offer products for allnew motorcycle models rated above 300CCs. But we were in a quandary about the risk of hiring that many people."

Reverse engineering helps develop new products without a heavy front-end investment in skilled workers, Tom Corbin explains. "InitiallyI can only train one shaper at a time," he says. "Maybe after a yearor two I could build up to training maybe three at a time. That means fully staffing up for big growth could take three to four years. Way too slow, even assuming no one quits,"

He continues: "Then I also would have a big reoccurring labor cost. For me as a manufacturer in California, the high cost of labor is the real business issue. That was the justification for our plunge into technology."

"In five or six years this [accessories] department could well double in size," Tom Corbin adds. "We always knew the opportunity was there but we could not capitalize on it without the technology. Saddlebags, fairings, and smuggler boxes could be larger and more

profitablethan our main business," which is motorcycle saddles. Saddles use entirely different production methods--they are upholstered--and are unaffected (so far) by reverse engineering.

The people responsible for using the reverse engineering and inspection systems are design engineering manager Anthony Printis and machinist Armando Rodriguez. "The whole system is very intuitive, and it works seamlessly with the rest of the operations," says Printis. "What we accomplished here in the last few months of 2006 is amazing."

Reverse engineering also opens the door to moving from accessoriesinto vehicles--three-wheeled motorcycles, trailers, and sidecars--plus the biggest Corbin dream of all, the three-wheeled Raven urban runabout. (See sidebar Technology revitalizes 3-wheeled Raven)

Design data, left to right

Like all shrewd technology investments, Corbin's foray into reverse engineering focused on what is repetitive and prone to error, rather than on what is purely creative--that is, on the tasks of the modelmakers rather than the shapers and other stylists.

The challenge of making the right-hand halves of its models exactly mirror the handmade lefts has always been dimensional. Model makershave used cardboard templates, gages, measuring tape, calipers, files, and so forth--none of which is very accurate.

Getting this right is critical as fairings and smuggler box halvesmust mate with no visible seam. Saddlebags are easier as they are sculpted whole. The left and right saddlebags of a set simply need to match rather than mate.

In addition, the model makers have to deal with expansion in the ABS plastic and its allowance in the molds. "On a hot summer day, a molded ABS saddlebag can expand by as much as a sixteenth of an inch," Printis notes.

There was also some tech fear to overcome, which Tom Corbin freelyadmits. "Before we got into this we did not have a baseline for whatto expect. We had a certain amount of fear, uncertainty and doubt" or FUD. "We felt like we were going into the wilds, into the jungle."

One reason for the FUD is that Tom Corbin is a keen observer. "Thetypical pattern of acquiring technology is you buy it and install itand it sits pretty much unused for three months;' he says. "Then thepeople start to experiment with it, run into snags, stumble, get frustrated, and move on to solve other problems.

"We couldn't afford to let that happen. We needed to be able to make it work with the shapers and model makers we had, and any people we could reasonably expect to hire like Anthony [Printis] and Armando [Rodriguez]."

Hand methods also limited:

- * The sophistication of saddlebag, fairing and smuggler box designs, holding back the creativity of the shapers and other stylists.
- Diversification away from saddles and accessories into three-wheeled vehicles.

REing the right halves

Like all technology success, reverse engineering and inspection atCorbin is a synergistic combination of software, hardware and processes. Central to this is data gathering and manipulation done with software from Delcam plc, including:

- * PowerINSPECT to capture 3-D surface data whether it's a scanned "cloud" of hundreds of thousands or even millions of points, or a fewhundred to a few thousand touch-probed points.
- * CopyCAD to prune the scanned data to what is needed, triangulateevery set of three points on a plane (as Stereolithography Tessellation Language or STL files), form the points into meshes, connect the meshes to represent the surface, and reedit the STL surface if needed.
- * PowerSHAPE to turn the STL files into CAD formats such as non-uniform rational B-spline (NURBS) files and to generate curves and details such as parting lines that are needed for machine-tool programming.
- * PowerMILL for programming the five-axis router.
- "If you have any background in using these processes," Printis says, "this is all pretty intuitive."

The hardware for the Corbin system is:

- * A ScanWorks V4i laser scanner from Perceptron and its ScanWorks software for managing the clouds of 3D points gathered by the scanner.
- * A seven-axis Infinite Arm from Romer. The Infinite Arm has built-in wireless connections (no more tangled cables) and a digital camera to capture setups. The arm has probes as well as a scanner attachment.
- * A five-axis computer numerically controlled (CNC) router from DMS.

Also crucial was product integration and systems support from Vizion Technologies, Burbank, CA, the DELCAM distributor. "Reverse engineering would not have worked had it not been for all the help we got from Jerry Sanders [Vizion president] and his technical support staff. They handled all the integration for us even though they only represented Delcam," says Tom Corbin.

Corbin bought the technology based on a simple test. "We gave Vizion a left-hand saddlebag from one of our shapers and told them to duplicate it for us," he recalls. "We explained to them that was our bigchallenge. Could they scan it and sort out the point cloud into something we could use?"

Result? "They did it right in front of us, almost in real time," Tom Corbin says. "The matching half was chiseled out as we watched. Nosmoke and mirrors, nothing done behind the scenes. They did another demo with our products, and walked my guys through the scanning, editing, and programming. At that point we were sold and we never looked back."

He adds. "we had a high degree of confidence in Jerry personally and the vendors he represented. They have all honored their promises to us, which is very good for this day and age. As the COO of a technology user company, that is what I need for our people to succeed." However, adds Tom Corbin, "we were also confident that even if the vendors did

not fully honor their promises to help us be successful, thatwe could do it on our own. This place isn't called 'Workshop of Wizards' for nothing."

Slashing time and cost

"The whole system is very intuitive," says Printis. With four hours of training and only limited knowledge of the process, he and Rodriguez scanned and duplicated three projects in their first six weeks:

- * A saddle bag for a Kawasaki.
- * A smuggler box for a Honda
- * A windshield fairing for a Yamaha.

"Under the old methods, each of these projects would have taken about four weeks," Printis says, "so this added up to an immediate doubling of model making productivity." The projects included generating the masters or plugs for molding these parts. A big help, he says, were Sanders' team, which has extensive backgrounds in tooling. It walked him through the scanning, reverse engineering, and inspection processes and then developed format and procedure models for him to follow.

"With the old methods," Printis continues, "getting center lines of the motorcycles and our accessories, for locating and mounting, andcorrectly aligning the halves would have taken two weeks. Making sure the halves matched exactly would take two to three weeks more."

These gains are directly reflected in delivery times for the masters and plugs, "by the end of the fourth day, worst case," Printis says. "Getting the scanner's point clouds edited into the necessary datafor CAM takes a couple of hours. Armando [Rodriguez] needs two to three days to program, rough machine and finish machine. Producing the roto-mold tooling takes one or two days more, including an overnight cure."

Printis notes that "inspection jobs are quickly set-up, despite the complexity of this work. The well-thought-out software interface allows straightforward ease of use, and is a very mature product. It istightly integrated with the Perceptron's updated ScanWorks software and the Romer arm and that means less issues for potential data communications problems.

"Reverse engineering PowerINSPECT data comes into CopyCAD's Triangulation Wizard that automatically generates a workable triangular surface mesh, which saves a lot of time consuming. We can manipulate the surface into the appropriate desired surface with CopyCAD's tools," Printis adds.

"Whether the data is touch-probed points or clouds of points, generating files for machining or design refinements is quick, easy and very intuitive," he continues. In addition, "Delcam's CAD software PowerSHAPE is well suited to creating and refining surfaces, as well as solid models, starting with points in 3-D space instead of geometry. Over the years I have worked with a lot of CAM packages and, for complex work, PowerMILL is the best."

When it comes to reverse engineering hardware, "for our reverse engineering needs and my settings, the Perceptron V4i scanner and ScanWorks gathers more than enough data with just a few scans," Printis notes. "That usually takes just a few minutes. Perceptron's Laser probeis a line laser scanner sensor, which captures 22,800 points a second at 30 hertz. Depending on user skill in calibration, the system canbe accurate to 0.024mm or 24 microns

at 2 Sigma. ScanWorks links to PowerINSPECT seamlessly so, again, no worries."

Printis also has praise for the Romer Arm. "As the biggest piece of hardware in our portable inspection and reverse engineering system, the Infinite is a pleasure to ease, even after several hours of scanning. Its BlueTooth wireless connections eliminate the problem of tripping over cables. In a busy and confined engineering area, that can be a been a major hassle."

Hired in mid-2006, Printis brought considerable experience to the job. A model maker by trade, he worked for many years in California automotive and toy design and styling studios. He completed his degreein industrial design from San Jose State University in 2005. Printisalso attended the Art Center College of Design in Pasadena for several quarters.

Starts with 'click'

All the technology went right together, right from the first job, and it keeps getting better as we learn," Printis says.

Tom Corbin calls this "the click" of technology--when it clicks into place with everything else. "That is when the designers and model makers and Anthony and Armando all start learning from each other," he says. "That's when they start improving each other's practices, learning advanced techniques in programming, and learning to troubleshoot."

The investments in reverse engineering and inspection also help. These ideas are Tom Corbin's:

- * Grow the business. The accessories division grew 35 percent in 2006 "even with us needing six months to really get involved with the technology. We believe we will grow the division 50 percent to 100 percent in 2007. Eventually, accessories will be bigger, perhaps much bigger, than saddles, which are still our bread and butter."
- * Create opportunities for more new products in smaller markets. "We can now do much shorter runs and still make money. Not long ago weneeded thousands of pieces for a good market. Now 300 to 500 pieces is a very attractive to us."
- * Reduce business risks of getting into any specific product line."Now if something doesn't work out, we are not stuck with the heavy front-end engineering and tooling costs."
- * Explore new styling and design ideas such as a saddlebag molded with Ferrari-like fins. "With the old hand-duplicating methods, we could not have done something with fins like that. Our new level of design flexibility lets us be much more imaginative."
- * Reshape the business whenever the marketplace offers new opportunities. "As an executive I now have more tools to reshape my business."

Taken all together, the technology helps make Corbin part of the new paradigm for American manufacturing--intuitive, creative, market responsive, capable of fast turnarounds, and close to individual customers. Higher-volume, lower-margin work is left to other, less creative organizations.

"This is the type of technology that, until now, a small company could not effectively take advantage of," Tom Corbin adds. "Without this we would not be as competitive as we need to be. When this technology is added to the traditional American manufacturing strengths of

ingenuity and enterprise," he continues, "American companies will again grow more competitive."

He continues, "mid-sized and small businesses need to know about these technologies--that they are affordable, that they work, and thatthey can really make a difference in competitiveness and new opportunities. (See sidebar Realistic expectations + perseverance = tech success)

The new Corbin technology also points to "futures" that will eliminate some skills bottlenecks:

- * Shaping and clay work will go digital and move to PowerSHAPE, SolidWorks from Dassault Systemes, and AutoCAD from Autodesk Inc.
- * Model making will be automated with PowerMILL and PowerSHAPE.
- * Hand lay-up work of the mold makers will move to the DMS router.

Delcam, www.rsleads.com/704tp-155; Romer Inc., www.rsleads.com/704tp-156; Diversified Machine Systems, www.rsleads.com/704tp-158; Dassault Systemes, www.rsleads.com/704tp-158; Autodesk Inc., www.rsleads.com/704tp-159; Autodesk Inc., www.rsleads.com/704tp-160

Technology revitalizes 3-wheeled Raven

The reverse engineering and inspection technology from Perceptron, Romer, and Delcam is also helping breathe new life into a longtime dream of Mike and Tom Corbin--a three-wheeled, one person car that would be "the ultimate commuter vehicle."

Originally known as the Sparrow, it is back to life as the Raven. A planned three-cylinder 800 CC engine will give Raven 60-mile-a-gallon fuel economy and speeds of up to 90mph.

"We tried this a few years ago but we didn't have the tools or theexpertise in-house to pull it off," says Tom Corbin, chief operatingofficer of the family owned Corbin-Pacific Inc., better known as Mike Corbin's World of Wizards. "Surface panels for even a very small car are much bigger and far more complex than what we were used to. Much larger tools would be required, too."

He continues, "there were a lot more parts than what we customarily dealt with and they had to fit together much more tightly. It was too costly and had too big a learning curve. Before the new technology, Raven was beyond our resource base to capitalize on."

Now, however, "we have the horsepower to try again," Tom Corbin says. "Without the scanning and reverse engineering technology, we would have needed 15 engineers, a huge hit to the payroll. The technologywill let us use our existing team."

By the end of 2007, Corbin expects to have designed and built a working Raven prototype and developed the low-initial-volume productiontooling. Then they plan to license it.

Realistic expectations + perseverance = tech success

Companies succeed with new technologies only when their expectations are realistic and only when they persevere through the inevitable setbacks, says Tom Corbin, chief operating

officer of Corbin-Pacific Inc. -- better known to motorcycle riders as Mike Corbin's World of Wizards.

"Companies so often fail with new technologies because management's and workers' initial, short-term expectations are unrealistically high," Tom Corbin says. "They get discouraged when the inevitable setbacks occur. The technology gets pushed into a corner and left there, forgotten, a monument to someone's brainstorm."

Secondly, because long-term expectations are unrealistically low, companies fail to achieve sought-for benefits. "They don't foresee, or don't appreciate, the business transformations that technology permits, sometimes quantum jumps," he continues. "They don't get all the potential payoffs and benefits that make all the effort and expense worthwhile. Because they don't expect the benefits, they don't insist that their people achieve them, they don't persevere."

Thirdly, "people working with new technology day to day get discouraged and quit trying, especially when management gets impatient for quick results and is stingy with support and recognition."

It is a mistake, he continues, "to buy a technology, implement it, and expect high yields the next day. You have to persevere until youget to the point where it all clicks together with the rest of the business. If it was wisely chosen, eventually it will." Corbin installed \$400,000 worth of reverse engineering and computerized inspection technology early in 2006. "We never doubted our decision, despite occasional setbacks and losing two key people. You have to stick with it. Then there is a tremendous gain and you ask yourself, 'What if we had not done this? How far behind the competition would we be?'"

This technology is now practical for small and medium-sized businesses like Corbin. "You do not need to be a Boeing or a Lockheed with teams of support people to make it work," the executive says. "The technology is now clever enough that experts are no longer needed."

LOAD-DATE: April 17, 2007

JESUS HOLY DIVINESON

Mark: CHRIST

Harley-Davidson Proving its Popularity on eBay According to Research by Terapeak Business Wire November 6, 2006 Monday 6:00 PM GMT

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November 6, 2006 Monday 6:00 PM GMT

DISTRIBUTION: Business Editors

LENGTH: 380 words

HEADLINE: Harley-Davidson Proving its Popularity on eBay According to Research by

Terapeak

DATELINE: VICTORIA, British Columbia

BODY:

Harley-Davidson enthusiasts, considered to be traditionalist in the motorcycle world, have proven that they are not afraid to shed traditional sales channels, in favor of doing business online. In the past year, sales for Harley-Davidson merchandise on eBay have topped \$30,000,000 for parts and accessories alone, according to research by Terapeak (www.terapeak.com).

Over the past century **Harley-Davidson** has established itself as the most **well-known** motorcycle **brand** on the planet, with one of the most loyal customer bases of any brand. Their customers are strongly rooted in tradition as evident from statements in their motto, "We believe that cowboys had it right, we believe in rumbling engines and fuel tanks designed in 1936..." While Harley enthusiasts may believe that fuel tanks from the thirties are ideal for their bikes, they opt for much newer technology when it comes to buying and selling their merchandise. Over the past year there have been over 2 million bids on Harley-Davidson parts and accessories on eBay(a).

Harley-Davidson has also consistently been the top ranked search term on eBay's Pulse, which lists the top 10 search terms for every category on eBay(a). Additional research using Terapeak's eBay Motors Parts and Accessories Research Tool shows that February had the most sales for Harley-Davidson parts and accessories with over \$2.9 million in total sales. Successful listings were also at a yearly high in February with 54% of listings ending in a sale. With sales numbers like these it is clear that Harley-Davidson loyalists will not slow down, especially when it comes to buying and selling on eBay.

About Terapeak Motors Parts & Accessories

Terapeak is an eBay Certified Solution Provider and a member of the eBay Developers Program. Terapeak's Motors P&A Research provides sellers with access to in-depth research on the past year of eBay data. Sellers can access reports which indicate the best time to sell, how much to sell for, and what keywords drive profits. Terapeak allows users to get in-depth research reports on their competition, as well as themselves. Try a free trial at www.terapeak.com/motors.

(a) All statistics are taken from $\underline{www.terapeak.com}$

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URL: http://www.businesswire.com

LOAD-DATE: November 7, 2006

Mark: CARIST

Earnings Spotlight: AUTOMOTIVE: Harley-Davidson Net Surges As New Models Lift Results The Wall Street Journal October 13, 2006 Friday

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THE WALL STREET JOURNAL

The Wall Street Journal

October 13, 2006 Friday

SECTION: Pg. B2

LENGTH: 177 words

HEADLINE: Earnings Spotlight: AUTOMOTIVE: **Harley-Davidson** Net Surges As New

Models Lift Results

BODY:

<u>Harley-Davidson Inc.</u> —logged another quarter of surging sales on the back of four new models and a new engine with a six-speed transmission.

The Milwaukee company said retail sales of Harley-Davidson motorcycles grew 8.9%, largely driven by a 19% rise in international sales, which it said will continue to outpace domestic sales. The iconic motorcycles are now sold in more than 60 countries and did especially well in Canada and Japan in the third quarter.

Harley-Davidson's results were equally impressive in its own backyard. U.S. retail sales of its motorcycles rose 6.7%, while the overall heavyweight motorcycle market was flat.

The company has largely avoided the slow-down effects of higher gas prices and interest rates that have hit many other U.S. recreational-vehicle makers. Both <u>Winnebago Industries</u> <u>Inc.</u> and Polaris Industries Inc. reported a drop in quarterly profits yesterday.

Harley-Davidson Chief Executive Jim Ziemer said gas prices may push riders already considering a Harley to buy one, but largely haven't affected sales expectations.

NOTES:

PUBLISHER: Dow Jones & Company, Inc.

LOAD-DATE: October 13, 2006

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sust 7, 2006 / www.businessweek.com

Meet Coke's Mary Minnick. She's blunt. She's impatient. And she's putting the fizz back in a tired brand.

BY DEAN FOUST (P.44)





Best Global Brands

How the BusinessWeek/Interbrand Top 100 companies are using their brands to fuel expansion

BY DAVID KILEY

OT LONG AGO, MOTOROLA SAW ITSELF THE same way its customers did: as a tech-driven seller of products, not a brand. The success of the RAZR changed all that. By ringing the consumer's bell, the hot-selling mobile phone validated a new strategy, internally dubbed MOTOME. Suddenly Motorola was a company that had rediscovered its identity as a major consumer brand.

The key, says global marketing head George Neill, who came to the company last year from Apple, was to think of the brand as providing experiences to consumers, not just hardware. "We're focused on giving access to what people want—music, video. Internet—wherever customers roam." That translated into an 18% gain in the company's global brand value on this year's BusinessWeek/Interbrand Annual Ranking of the 100 Top Global Brands. The phonemaker, adds Interbrand Group CEO Jez Frampton, is "redefining the place people make for the Motorola brand in their lives."

This year's list is brimming with hot brands such as Motorola that are crafting new and surprising ways to branch into entirely new product arenas. Hyundai is launching a premium sedan. Google is wading into selling ad time on the radio. Others are revving up their brand's goodwill value to dodge problems, as McDonald's is doing with its health and fitness marketing to counter concerns about junk food.

Every company wants its brand to get bigger. The hard part is balancing what the brand is with a vision of what it would like to be. "As soon as you try to go someplace that doesn't fit or where you don't have credibility, it can detract from your organization and your brand," says Frampton. The sixth annual BusinessWeek/Interbrand rankings measure an elusive but cru-

The Big WINNERS

Google posted the biggest single-year percentage gain of any company in the rankings' five-year history. Growth at eBay, the top dog of 2005, slowed from last year.

BRAND	2006 BRAND VALUE (BILLIONS)	2005 BRAND	CHANGE IN BRAND VALUE
GOOGLE	12.38	8.46	46%
STARBUCKS	3.10	2.58	20
EBAY	6.76	5.70	18
MOTOROLA	4.57	3.88	18
HYUNDAI	4.08	3.48	17

Data: The and White is unase, Clostop, Monath Starker

cial quality. Companies that score high can count on plenty of customer loyalty as they push into risky expansions.

Don't Fear Public Flops

THE GOOGLE NAME is stronger than ever: In this year's rank-



ing it gained 46% in brand value—the biggest year-over-year rise of any company ever on the list. Revenues climbed by 105% last year. With market share in Internet search still surging, it can afford to gamble with its universally recognizable brand.

That allows Google to launch a slew of new products with small investments, gain valuable user input at early stages of development, and in turn challenge market leaders such as Microsoft in mature businesses. "The way you find really successful innovation is to release five things and hope that one or two of them really take off," says product czar Marissa Mayer.

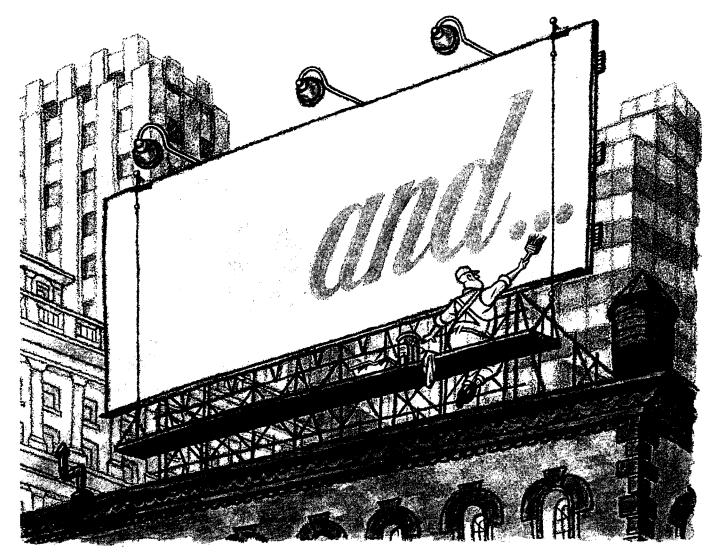
When your brand is a verb in the Oxford English Dictionary, you can weather the sting of a few product flops. In the process you can harness the power of early releases, when users offer tons of suggestions, and engineers can fold in upgrades and adapt on the fly. That's what the company did with Google Video, which was expanded to let people upload and showcase their own creations. Another example: When Google initially launched Gmail in 2004, it scared some would-be customers by scanning e-mails for keywords and serving up ads relevant to their content. Since then the company has invited Web critics and consumer advocates to weigh in during the test phases of other new offerings.

The Big LOSERS

Practically every industry had a loser this year. Gap slipped 12 places in the rankings, and beleaguered Ford made its fifth appearance on this list, falling eight places.

BRAND	2006 BRAND VALUE (BILLIONS)	2005 BRAND VALUE (BILLIONS)	CHANGE IN BRAND VALUE
GAP	6.42	8.19	-22%
FORD	11.06	13.16	-16
KODAK	4.41	4.98	-12
HEINZ	6.22	6.93	-10
INTEL	32.32	35.59	-9





Google's brand may not always ride this high. Failed product tests can pile up and dent all the positive brand buzz. That's a worry, particularly since only a few of its services beyond search have found real acclaim, much less significant new revenue.

Still, the company has a toehold almost everywhere and a knack for speed. In the past year it has launched an online finance site, a spreadsheet tool, and a word processor, and it plans to resell radio and TV ad time to its ad clients. Several of these may never be big cash machines, but with revenues growing 77% last quarter, it's hard to blame Google for failing in small ways when it's winning so big on the Street.

Face Your Weaknesses

IN THE FIVE YEARS leading up to 2003, McDonald's saw its market capitalization fall by \$12.2 billion. And this is no Internet stock. The problem was that despite the company's nearly 100% brand awareness in every global market, the old images of Ronald McDonald weren't wearing well. Just as troubling, evidence was mounting that junk food was fueling an obesity epidemic in the U.S. Mc-



Donald's had long struck a defensive pose against such barbs. But it was time to take control of the brand before outside forces did it for them.

McDonald's discovered that while its big-budget Disney tieins and Olympics sponsorships kept the Golden Arches in kids' sights, mothers were its real problem. Opinion studies and focus groups showed a mounting distrust of McDonald's and guilt among suburban moms about letting kids eat there. "Everything we do is really driven through the eyes of our customers and understanding what their needs and desires are," says Global Chief Marketing Officer Mary Dillon.

So the chain set out to appeal to moms. In the past three years, one-third of its 13,725 restaurants have been upgraded, and new premium-priced salads and chicken meals have been added. Fruit offerings such as apple slices have helped change Mickey D's image-it's now the nation's biggest wholesale buyer of apples. This year, McDonald's global brand value rose a healthy 6%, and its market capitalization grew by \$2 billion. The company took the mom-friendly message to a new level last February. McDonald's kicked off a global campaign tied in with the Olympics that talks up the importance of exercise and nutrition, using such athletic role models as tennis stars Venus and Serena Williams.

The campaign ("It's what I eat and what I do...I'm lovin' it") includes TV ads, new packaging, and a series of Ronald Mc-Donald videos teaching children how to cat well and stay active. Meanwhile, average restaurant sales are up to a record \$1.9 million thanks to the premium-priced items. Says Dillon: "One of the fun things about McDonald's is we are always learning about how we can expand our brand."

Earn Permission to Grow

IN 1998, HYUNDAI'S reputation in the U.S. was so ravaged by a decade of quality problems that the South Korean company considered pulling up stakes. Chung Mong Koo took over that year and began reinventing how

Hyundai viewed quality. A carmaker without a U.S. presence, he reckoned, could never be a global brand.

Quality improved, but Hyundai was still far behind. So Chung devised an aggressive strategy: Until at least 2008, Hyundai models would carry a 100,000-mile/10-year warranty to give customers peace of mind. This created hundreds of millions of dollars a year in extra provision costs, of course. Meanwhile, Chung ordered plant managers to obsess about quality, even to stop production lines if defects were detected. The practice was common in Japan and catching on in the U.S. but still unheard of in Korea.

The moves paid off. In the U.S., Hyundai saw its sales grow from less than 100,000 in 1998 to 455,012 last year. Global brand value climbed an impressive 17% last year. In the latest quality scores from J.D. Power & Associates, released in June, Hyundai was the top-rated nonluxury brand ahead of Toyota. That now gives Hyundai the street cred, for example, to sell its new Azera sedan, which costs close to \$30,000 and has been compared seriously to the Chrysler 300, Toyota Avalon, and Buick Lucerne.

Having earned stripes from critics, Hyundai says it's looking for more creative validation as it contemplates a sub-brand to compete with Lexus and Cadillac. "One important objective of our brand is to create emotional connection with our clients," says Nam Myung Hyun, general manager for brand strategy. It shouldn't be too hard. Americans love an underdog, especially one that has learned new tricks.

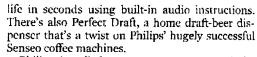
Make Simplicity King



WHEN GERARD KLEISTERLEE took the helm of Royal Philips Electronics in 2001, the Dutch conglomerate's empire included TVs, lighting, medical devices, and semiconductors. The missing key: a coherent brand. "We had to choose whether Philips was a company built around its core technologies or one built around its core brand," says Kleisterlee, who presided over a healthy 14% gain in global brand value last year.

He wisely chose the latter. In doing so he had to shake up the way the company thought about customers and communication without alienating the engineering and science units critical to innovation. In 2004 its "Sense and Simplicity" global branding effort launched. The idea is to create a "health-care, lifestyle, and technology" company that offers easy-to-use products designed around the consumer. To get the effort on track, the CEO created an internal think tank, the Simplicity Advisory board, comprised entirely of Philips outsiders: a British fashion designer, a Chinese architect, an American radiologist, and an American Massachusetts Institute of Technology professor.

The board looks at overarching questions like: How does simplicity get executed? Their strategic advice changed the way the company thinks, leading to a series of new, user-friendly products. It wasn't enough to design a small defibrillator that could be stashed in public spaces such as airports and work-places. Consumers dictated that it be the size of a laptop and simple enough that the untrained could spark a heart back to



Philips installed new test centers around the world where products are extensively critiqued by consumers. That saved the company from flubbing

the launch of its WACS7000 Wireless Music Center & Station, which it postponed when the software was rewritten because of complaints of overcomplexity.

Brand value hasn't come cheaply for Philips. Analysts say the company spent \$170 million in 2005 and plans to invest around the same amount this year on the new campaign. But Kleisterlee knows the company's future valuation depends on the strength of the brand: "Everything we do, from our products to the way we work with our suppliers and customers, has to live up to the simplicity promise."

Protect Your Culture

STARBUCKS HARDLY advertises, instead relying on its ubiquitous cafés to do the talking and create its 20% bump in global brand value. That means keeping them free of the clutter of other brands and products, which are constantly trying to piggyback on the Starbucks aura and access to 30 million weekly customers. At the same time, the chain has come to view its brand as a kind of cultural portal—



after co-producing a series of music CDs, Starbucks this year backed a book and a film. So it was a spirited discussion that took place within the Consumer Insight Group last fall about how to use the sacred store environment to promote the movie, Akeelah and the Bee. Until then the chain had never sullied its cafés with movie posters or TV monitors.

The answer was to make the cafés a sort of extension of the film, which is about an inner-city African American girl who competes in a national spelling bee. So last April vocabulary words from the contests in the film went on Starbucks cup sleeves and on café walls, challenging customers' vocabularies. It wasn't an overly obvious promotion. Rather than use traditional methods, says Senior Vice-President for Marketing Ann Saunders, new projects like this are launched "based mostly on our intuition and out of our brand culture.... We know when it feels right." Starbucks plans to co-produce at least two more movies next year.

Missteps have been helpful in understanding how to grow—and how not to. Joe magazine, in 1999, was one. Magazines are a smaller niche than newspapers and a highly personal choice for consumers. After six months, Joe was tossed. Last year's "drinking chocolate," called Chantico, served in a dainty six-ounce cup, didn't work, either. It was too pricey at almost \$3, in too small a cup, and had too many calories (390). Gone.

Perhaps Starbucks' riskiest ventures are its music bars, which let customers compile songs on CDs or in MP3 folders from a song library. The bars change the atmosphere of the cafés and have been criticized in the media and on blogs as an unnecessary diversion. Saunders counters that customer satisfaction is high, and more music bars are likely next year. She knows the plan is ambitious. "But if you know where your brand lines really are, you can push them."

-With Ben Elgin in San Mateo, Calif., Michael Arndt and Roger Crockett in Chicago, Kerry Capell in London, and Moon Ihlwan in Seoul

Burt's Bees: Up from Craft Fairs

BRAND EXPANSION ISN'T JUST for big business. Two decades ago the founders of Burt's Bees were peddling their handmade beeswax candles and lip balms at craft fairs in the Northeast. Now the Durham (N.C.) company's ecofriendly personal-care products, some of which still

sport the bearded visage of Maine beekeeper and retired co-founder Burt Shavitz, can be found in 22,000 stores, including recent additions Walgreens and CVS. Sales at the company, which was acquired by private equity group AEA Investors in 2004, are expected to rise 25% in 2006, to \$250 million. Writer Andrew Park spoke with Chief Executive John Replogle, 40, who joined Burt's from Unilever in January, about managing the explosive growth of this offbeat brand.

What drives decisions about brand expansion at Burt's Bees?

We receive over a thousand phone calls and emails a week from consumers. It's through that dialogue that we know where to take our brand. For example, consumers tell us they absolutely adore products in our hand- and foot-care line. And they say, "Can you help me by giving me a product like that that's good for all over my body?"
That's what really led to

our recent launches of a full range of body lotions.

REPLOGLE Going wide

Where do you want to take the brand in the future?

We're trying to meet consumer needs from head to toe. We're going to be moving into a men's range and a fuller line of personal cleansing products, to shampoos and conditioners. We just launched a body wash, and we'll launch more products next year. We'll be offering hand soaps and washes early in the new year.

Any plans for the baby-care market, which is hot right now?

We're just about to introduce a headto-toe baby wash. Mothers really understand the need for natural care. A lot of our consumers actually |discovered the brand] with their child.

Any products you'll stay away from?

Household care. There's a lot of damage to our planet [from synthetic] things that go down the drain, and our philosophy has always been to be gentle. Frankly we've decided not to move

into it at this time.



Color cosmetics such as eye shadows or blushing creams. Those have not been strong sellers for us.

What's the end game for Burt's Bees?

We don't really see a limit to what we can do. Health and wellness [are part of] a megatrend, and so is the greening of America. All you have to do

is listen to major retailers talk about sustainability, and you see the confluence of consumer trends and retailer trends. We're right at the heart of that.

Do you risk alienating your core consumers as you move into mainstream stores?

[Our consumer] wants access to her favorite products at all of her favorite retailers. The authenticity of the brand shines through regardless of whether we're in 10,000 or 20,000 or even 30,000 stores.

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HOW AMERICAN EXPRESS SERVES SMALL BUSINESS

The 100 Top Brands

Here's how we calculate the power in a name

INTERBRAND TAKES lots of ingredients into account when ranking the world's most valuable brands. To even qualify for the list, each brand must derive about a third of its earnings outside its home country, be recognizable outside of its base of customers, and have publicly available marketing and financial data. One or more of those criteria eliminate such heavyweights as Visa, Wal Mart, Mars, and CNN, Interbrand doesn't rank parent companies, which explains why Procter & Gambie doesn't show up. And airlines are not ranked because it's too hard to separate their brands' impact on sales from factors such as routes and schedules.

BUSINESSWEEK CHOSE Interbrand's

methodology because it evaluates brands much the way analysts value other assets: on the basis of how much they're likely to earn in the future. The projected profits are then discounted to a present value, taking into account the likelihood that those earnings will actually materialize.

THE FIRST STEP IS figuring out what percentage of a company's revenues can be credited to a brand. (The brand may be almost the entire company, as with McDonald's Corp., or just a portion, as it is for Marlboro.) Based on reports from analysts at J.P. Morgan Chase. Citigroup, and Morgan Stanley, interbrand projects five years of earnings and sales for the brand. It then deducts operating costs, taxes, and

a charge for the capital employed to arrive at the intangible earnings. The company strips cut intangibles such as patents and management strength to assess what portion of those earnings can be attributed to the brand.

FINALLY, THE BRAND'S strength is assessed to determine the risk profile of those earnings forecasts. Considerations include market leadership, stability, and global reach—or the ability to cross both geographic and cultural borders. That generates a discount rate, which is applied to brand earnings to get a net present value. BusinessWeek and Interbrand believe this figure comes closest to representing a brand's true economic worth.

RANK 2006	/ 2005		2006 BRAND VALUE SMILL ONS	2005 BRAND VALUE SMULLICHS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
1	1	COCA-COLA	67,000	67,525	-195	US	Flagging appetite for social session, remaind for Core, but the beverage igant has a raft of new products in the papetite that could reverse its recent said.
2	2	MICROSOFT	56,926	59,941	-5%	u.s.	Threats from Google and Apple haven't yet offset the power of its
3	3	IBM	56,201	53,376	5%	U.S.	having off-loaded its low-profit FC business to Lenovo, IBM is marketing on the strategro level to corporate leaders.
4	4	GE	48.907	46,996	4%	U,S.	The brand Edison built has extended its reach from overs to credit cards, and the "Ecomagnation" push is making GE look like a protector of the planet.
5	5	INTEL	32.319	35.588	-9%	U.S.	Profits and market share weren't the only things starring by rival AMD. Intel's brand value turnbled 9% , as it loss business from high-profile customers.
6	6	NOKIA	30,131	26,452	14%	Finland	fashionable designs and low-cost models for the developing world en- abled the mobile phone maker to regain ground against competitors.
7	9	TOYOTA	27.941	24,837	12%	Japan	Toyota is crossing in on GM to become the world's biggest automoker. A stated 10% increase in U.S. sales this year will help even more.
8	7	DISNEY	27.848	26,441	5%	U.S.	New CEO Robert Iger expanded the brand by buying animation intermiser Pixar and beeting up digital distribution of TV shows through the Internet and iPods.
9	8	McDONALD'S	23,501	26.014	6%	Lr.S.	A new healthy-living marketing campaign—and the premium-priced sond wiches and salads that come with it—have led to a fourth year of sales gains.
10	11	MERCEDES-BENZ	21.795	20.006	9%	Germans	The new S-Class sedan and M-Class SUV are helping repair a furnished quality reputation. High costs and weak margins will take longer to fix.
11	12	CITI	21,458	19,967	79 ₉	U.S	Aircady the biggest U.S. bank, Citigroup's quest to generate more revenues from world markets has it introducing its brand to new energing markets.
12	10	MARLBORO	21,350	21.189	1%	U.S.	Mariboro remains firmly in the saddle, particularly outside the U.S., as π expands into developing markets.
13	13	HEWLETT-PACKARD	20.458	18,866	8%	U.S.	Under CEO Mark Hurd. HP is skipping glitzy image ads to push specific products, improving profits and a 40% stock price increase haven't hart.
14	14	AMERICAN EXPRESS	19,641	18.559	6%	¥.5.	A preeminent financial services brand among high-end customers, the company is recasting itself as hip to broaden its appeal to a younger set
15	16	BMW	19.617	17.126	15%	Germany	BMW continues to churulout not models that buyers love to dove and Japanese automakers paritiseum to represente.

Rankings

RANK 2006 / 2005		2006 BRAND VALUE	2005 BRAND VALUE SMLLICHS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
16 15	GILLETTE	19,579	17.534	12%	U.S.	Gaieffe's new's x-bladed Fusion razor met with rigidule when it was introduced. But with Fusion sales souring, Gillette is still lung
17 18	LOUIS VUITTON	til.606	16,077	10%	France	With a gazzy new flugship on the Champs Elysées, the world's richest luxury brand celebrates vet another year of repust growth.
18 17	CISCO	17,532	Į6,59 2	6%	J.S	Cisco's decision to read with its Linksyr brand for consumers hasn't made the company a cousehold name yet, but it's helping.
I9 19	HONDA	17.049	.5,788	8%	Japan	As gas prices rise. Honda's gas suppers are helping the Japanese carmoking gaw into the Big Three's market share.
20 20	SAMSUNG	16,169	14.956	gr 5	5 Korea	Samsung is rolling tail hot LCD TVs and ever more powerful memory chips. 9.4 // is missing in a frontwith towerful natiosets, running market share.
21 25	MERRILL LYNCH	13,001	12.018	8%	U. S	Mernil Lynch Trail, made a dramatic transformation from a sleepy, stable brokerage to a lean and mean investment bank.
22 23	PEPSI	12.690	12.399	2%	U.S.	it tapped a growing obsession with obesity by shifting marketing dollars to Det Peos- Another briost? Rival Coke's move to copy Pepsi Max with Coke Zoro
23 24	NESCAFE	12.507	12,241	250	Swizerland	Sales of instant coffee are piping bot in emerging markets, while fravored soffees and new products have boosted appeal in the U.S. and Europe.
24 38	GOOGLE	12.376	8,461	45%	U.S.	Its recent inclusion as a verb in the Oxiord English Dictionary confirms what competitors feared: Geogle means search to an army of Web users.
25 21	DELL	12 256	13,231	-7%	U.S	The king of the inexpensive PQ is trying to regain trust with a campaign to poster customer service and technical support.
26 28	SONY	11.695	10,754	9%	Japan	Sony CEO Howard Stringer has fixed the TV biz, but other discrimins and outsiare struggling, rie's betting PlayStaffon 3 can help ford things around
27 26	BUDWEISER	11.662	11,878	-2%	U.S.	A price war and changing tastes left the No.1 beer maker with a hasty hangover. The drop in profits for 2006 was its first in a decade
28 29	HSBC	11,622	10,429	119%	Britain	With rotall, private, and investment banking operations in 75 countries, the world's local bank is fast decoming a major force in financial services.
29 27	ORACLE	11,459	10,887	5%	U.S.	Last year, Oracle bought another major software brand, Siebel Systems. This year it will have to sew it together and keep its costomers happy.
30 22	FORD	11.056	1359	-16%	U.S.	The iconic auto grand his declined in every measure. Weak markeling, bad cress, shallow product purifolio, and a nottonide-out U.S. stock price nut value.
31 30	NIKE	10,897	K),114	8%	u.S	Nike won in both the casual fashion and hard-core athletic markets with Innovative new products, marketing, and nartnerships
32 32	UPS	10,712	9,923	8%	U.S.	China-to-U.S. routes are paying off handsomely, while it big contract to consolidate shipments for Dell is providing a boost back at Hame
33 34	JPMORGAN	10.205	9,455	8%	US.	Unlike other big banks selling money management units. IPMorgan is building a brand in the business, as merger integration efforts continue.
34 36	SAP	10,007	9.005	11%	Germany	New software aimed at smaller businesses helped SAP extend its customer base beyond blue chips.
35 35	CANON	9,968	9,044	10%	Japan	Digital cameras and copiers helped Caron become one of Japan's most profitable companies. New boss Tsuneji Uchida brings technological krowbow.
36 33	MORGAN STANLEY	9.762	9.777	0%	U.S.	OEC John J. Mack is overhauling the firm, and its brand, to restore its former reputation as the top investment bank.
37 37	GOLDMAN SACHS	9,640	3,495	13%	U.S.	Gordman's repeated blockbuster trading results have made it Wall Street's most profitable monoy machine.
38 31	PFIZER	9.59:	9981	-4%	IJ.S.	Solid its over-the-counter unit to focus on developing new prescription drugs— a smart move as powerhouse brands such as Lipitor face garantic domach dom.
39 41	APPLE	9.130	7,985	14%	U.S.	Appre continues to be the style master with its expanded family of iPods and Mac PCs. Its latest hit: the MacBook line of laptops.
40 39	KELLOGG'S	8,776	8,306	6%	U.S.	The coreal maker is striking an effective balance betwees healthy products ike Special K and sugary treats like Pop Tarts to attract bath moms and kirls.
41 42	IKEA	8.763	3,817	12%	Sweden	Its afformable Scandin winn designs have helped the Swedish retairer be- come a household name from San Diego to Shanghai
42 44	UBS	8,734	7,565	15%	Switzerland	Melding private banking and investment banking continues to pay off bid time, especially in Europe and Asia.
43 43	NOVARTIS	7,880	2,746	2%	Switzerland	The Swiss pharmaceutical grant is expanding across everything from prescription drugs to generic medicines, vaccines, and diagnostics,
BA 45	SIEMENS	7,828	7,507	4%	Germany	New CEO Klaus Kremfeld has disposed of poor-performing telecom units, allowing Siemens to focus on businesses such as medical equipment.



RANK 2006 / 2005	:	2006 BRAND VALUE SMELLIONS	2005 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
∉5 46 I	HARLEY-DAVIDSON	7,739	7,346	5%	US.	Still the king of the hogs. Growing sales to women augment the loyal customer base of baby boomers and hard-nore bikers.
4선 49 (GUCCI	7158	6.619	8%	Italy	Designer Frida Giarmini still can't match predecessor forn Ford's star power. But sales of apparel and feather accessories are growing nicely.
\$0 55 €	EBAY	6,755	5.701	18%	U.S	Investors may not like microssing competition from the likes of Googla but TV ads keep positing the online marketplace's brand appeal.
49 53 F	PHILIPS	6,730	5,901	:4% f	Nether ands	Buoyed by the success of its medical ecuipment and high-tech consumer gaogets. Philip's focus on cutting-edge, easy to-use products is paying off.
49 51 <i>l</i>	ACCENTURE	6.728	6.142	10%	Bermuda	Bundling consulting and outsourcing gigs is helping Accenture stay fierce. Last year, sales grew by more than twice the rate of other feet isservices firms.
50 48 ∣	MTV	6.627	6,647	0%	U.S.	Now 25, MTV is pushing into broadband with the MTV Overdrive site, where it taces competition with MySpace and YouTube for teens' attention.
5% 50 l	NINTENDO	6,559	6,470	19%	Japan	Nintendo is No. I in portable video-game consoles, but the unconventional new Will console machine due out this autumn could be a harder sell.
52 40 (GAP	6,416	8,195	-22%	U.S	Still searching for its fashion identity, the clothier's sales are fraying as it struggles to dress the twentysomething crowd for both work and weekend.
33 52 l	L'OREAL	6,392	5,005	5%	France	This French cosmetics maken's finances are rooking prettier, trianks to a rebound in sluggish European sales.
SA 47	HEINZ	6.223	6.932	.0%	L.S.	Stimming its portfore and adding products like Lea & Perrins hasn't been enough for Heinz to compete with retailers, in-house brands.
Ş\$ 58 \	YAHOO!	6,066	5, 25 6	15%	U.S	The company risks looking like an also-ran next to Google, but Yaloo is mining for hits in new areas like social networking and digital content.
5G 56 \	VOLKSWAGEN	6,032	5.617	7%	Germany	Maybe the most resilient brand in its industry, VW is solving its quality and financial issues, and customers are coming back.
57 54)	XEROX	5.918	5,705	4%	U.S.	Xeroxi stable of color copiers is bringing in a good supply of cash, but it has yet to make its mark in the digital world.
58 60 (COLGATE	5,633	5,186	9%	u.S.	Well into a four-year restructuring, Colgate now has something to smile about with new launches such as Luminous toothoaste finding strong demand.
59 57 \	WRIGLEY'S	5.449	5,543	2%	U.S.	With new players chowing away at market share, Wrigley's has been expanding into areas like candy and mints with brand extensions and acquisitions.
60 61 H	KFC	5,350	5,112	5%	U.S.	Avian flu lears in early 2006 slowed KFC's growth in China, the chain's hottest market, but KFC seles are rebounding.
6 1 65 (CHANEL	5,156	4.778	5%	France	Fresh-faced Keira Knightly is replacing bad-garl Kata Moss as the face of Coco Mademoiselle perfume.
62 59 <i>l</i>	AVON	5.040	5.213	-3%	U.S.	Avon ladies have been struggling. Poor results in many markets including Eastern Europe, forced CEO Andrea Jung to launch a restructuring this year.
63 66 l	NESTLE	4,932	4.744	4%	Switzerland	Best known for chocolate, Nestlé posts stronger growth from other products, such as Nestlé Aquarel bottled water.
ିର୍ଣ 64 ।	KLEENEX	4,842	4.922	2%	U.S.	A mature brand that's working to fend off commodity status. Emotional advertising is helping buoyits image against private labels.
S5 68 /	AMAZON.COM	4.707	4.248	11%	U.S.	Heavy spending on technology for digital media initiatives has depressed the stock, but free shipping and reliability keep customers happy.
େ 63 ।	PIZZA HUT	4,694	4.963	- 5%	U.S.	Pizza Hut sales have been drooping as Americans turn increasingly to sandwiches and Mexican fare.
67 67 I	DANONE	4,638	4,513	3%	France	A growing global appetite for yogurt keeps the French food and beverage giant in good health.
58 70 (CATERPILLAR	4,580	4,085	12%	U.S.	Demand for Caterpidar's rugged machines and engines has never been stronger. Cat is on track to top \$40 billion in sales this year.
69 73 l	MOTOROLA	4.569	3,877	18%	U.S.	New products like the RAZR and SEVR have been a hit, and a hip marketing campaign behind them is adding fuster to the Moto brand.
70 62 l	KODAK	4,406	4,979	-12%	U.S.	Kodak has defied skeptirs by becoming a major player in digital photography and printing, but profits remain disappointing.
7% 71 I	ADIDAS	4.290	4.033	696	Germany	The World Cub was a borranza for the sports apparel maker. Securing the soon-sorship helped keep archriva: Nike at bay before the world's largest audience.
72 72	ROLEX	4,237	3,906	8%	Sw-tzerland	Relex remains the ultimate luxury brand worldwide, and with strong sales in China, its appeal continues to spread.
72 77	ZARA	4.235	3.730	14%	Spain	With its focus on high fashion at low prices. Europe's biggest clothing retailer is so popular that it's opening more than a store a day in 2006.



RANK 2006 / 2005	2006 BRAND VALUE SMILLIONS	2005 BRAND VALUE IMIL ONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
74 19 AUDI	4,165	3.686	13%	Сертану	Eye-catching design, hot technology, and a new American-size SDV citied the Q7 are transforming Aud: into a schools y obal rival to BMW and Morcodes.
75 84 HYUNDAI	\$ 378	3,480	17%	S. Korea	Fast shedding its image as a cheap putomaker, in the latest JTD Power quality survey of new car owners, Flyuridal was No. 3, behind Porsche and Lexus.
76 75 BP	4.010	3,802	3%,	Rutar	Not even an Alaskon oil spill or an explosion at a Toxas relinery has but a pent in BP's strong performance.
77 78 PANASONIC	4/27°	3714	it.s	agan	It is force in flat-screen FVs, dia talleameras, and ships but have title neo- trip rate technology with potter brand equity.
78 /4 REUTERS	3,961	3.866	2%	Britan	The global news and financial information grant is moving into derivatives trading with a collaboration with the Chicago Mercamile Exchange.
79 69 KRAFT	3,943	4,238	-7%	U.S.	Fierce competition and rising commodity costs have dogged the U.S.'s largest foodmaker. Kraft's new CEO ricids innovative new products to revive safes.
80 76 PORSCHE	3,027	3,777	4%	Germany	CEO Wendelin Wiedeking extends his IC year winning streak with perfect turning and precision execution on the Cayman.
81 82 HERMES	3,854	3,540	9%	Franky	Best known for leather accessories and silk scarves. Hermes is riding high on the success of a new perturbe. Unluardin Sur le Nil
82 81 TIFFANY & CO.	2,819	3.613	⊕ 18	98	With sales sparking in many markets, the retailer's focus on service and fledign has helped it battle a new set of discount colline completitors.
83 86 HENNESSY	3.576	3.201	12%	France	As the brand gets a marketing assist from adoring hip hep artists in the U.S., the French cognac maker is pushing for growth in China and India.
84 80 DURACELL	3,576	3,679	-3%	U.S	Duracell has been gaming share in the market for premium replaceable batteries, but will rechargeable batteries threaten the long-term outbook?
85 87 ING	3,474	3.177	9%	Netherlands	NG continues its global expansion neoring beyond its banking and arrangement business.
ଓଡ଼ି 89 CARTIER	3,560	3,550	10%	Franksy	The popularity of Pasha timopiecos and Garesse d'Orchidées jewelry is pluting a scankle in Cart in num
87 92 MOET & CHAND	ON 6257	2.991	3.₹5	' France	Global sales of Chan pagne on 12, 64% since 1995, and Mostic lide. Fabilities campaign has controlled the transitivitie center of the murket.
HOL& ROZNHOL 16 88	NSON 3 193	3,040	5%	U.S.	Figures's more than one way to grow, as also showed by paying \$16.6 billion for Pfizer's consumer products and.
୫ଟ ୨୦ SHELL	3,173	3.048	4%	Britain	Despite pension problems and appetine explosions, sparing $lpha$ prices fueled Shell to record 2005 profits of \$23 billion.
90 85 NISSAN	3 108	3.203	-3%	Japan	Starved for new models. Nissan's sales have slipped. New launches, including a remodeled Altima, will be a timely boost for CEO Carles Grosol.
91 99 STARBUCKS	3 099	2.576	20%	U.S.	Starbucks brings in customers with blastyle marketing, pushing music, books, and unchifood to get them to stick around
92 NEW LEXUS	3,070	New	New.	Japan	Toyota's relatively young Lexus premium brand is No. (incline to Silicutific out it's cost getting started in Asia and Europio.
93 88 SMIRNOFF	9,032	3.097	-2%	Eritain	The vocks market continues to attract new entrents, Smirriott needs to bet ter define a sophisticated identity to stay shead of the pack.
94 97 LG	3,010	2,645	14%	S Korea	This Korean electronics maker is emulating its crosstown rival, Sambing, boosting stylish randsets and digital TVs.
95 94 BULGARI	2.879	2,715	5%	Italy	italian jeweier. Bulgari is, powering growth, with the help of la super-tuzury hotel chain and customers like Madiciana.
96 93 PRADA	2.874	2,760	4%	taly	Anti-Establishment halion fushkun stäl Meudou Pradis keeps testing for Kontliers of taste. Edgy closhkip design ledgier store and stoch zi
97 95 ARMANI	2,783	2.677	4%	Itasy	Tashion con Gorgio Armani serves has appeal extends beyond the closel, as he lexpands into everything from mahahast sofas to five star records.
98 NEW BURBERRY	2.753	New	New	Britan	Moving beyond its signature plane, Burberry is beating on its arcoisones line and expanding its retail profite in the U.S. $$
99 98 NIVEA	2.692	2,576	4%	Germiany	In a bid to shed its austere image, the company is expanding into new products such as skin-firming lobor and men's eye cream.
100 96 LEVI'S	2 689	2,65¢)%	US.	This iconic grand is fighting to stand out among such high end names as Earnest Sewn and, at the map, kivel, discounters' private-label journs.

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Throwback bikes; Ride back in time to regain that feel Grand Rapid Press (Michigan) June 5, 2006 Monday

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> June 5, 2006 Monday ALL S EDITION

SECTION: YOUR LIFE; Pg. D1

LENGTH: 511 words

HEADLINE: Throwback bikes; Ride back in time to regain that feel

BODY:

A motorcycle should look like a motorcycle. A simple notion, but it is the inspiration behind the surge in retro bikes on the road in the past few years.

They are a return to the look of decades ago, when engines weren't covered by aerodynamic plastic fairings and wild geometric paint schemes.

It's been called a "performance backlash" -- a resurgence in popularity for motorcycles that are quick and responsive at highway speeds, unlike the hypersport bikes that don't have that feel until you reach twice the speed limit.

These bikes are designed to make you feel a connection to the history of motorcycles.

For those seeking a true time-warp experience, there is the Royal Enfield.

By the mid-1950s, the British hand-crafted Enfield Bullet already had a solid reputation. In 1956, a second factory was built in Madras, India, to

meet an overwhelming demand by the Indian government. The demand has never ceased. Today, they produce about 20,000 of the 1950s-style Bullet each year.

In the U.S., there is a large network of Enfield dealers, covering nearly every state. One of them, MC Supply in Hastings, has catered to Bulleteers for six years.

Ed Manaway, owner of the dealership, says, "It's for the kind of guy who's looking for something unusual and different" and "not a bike for somebody who wants to ride 100 miles an hour."

That is sage advice. The recommended top speed, after a lengthy break-in period, is about 60 mph. Still, if you have some basic mechanical abilities, and an affinity to bond with your bike, it can be a reliable alternative to today's advanced two-wheeled behemoths.

Back from the dead

Norton's return from the history books was brought about by bike builder Kenny Dreer, who was restoring and selling vintage Norton Commandos.

Realizing the limits of selling restored bikes from the '70s for about \$20,000, Dreer, with financial backing, designed the new Commando from the ground up, keeping all the visual cues of the classic racers. He then acquired the Norton namesake from its European owner, and the first Commando, after 26 years missing, has been built and is heading into production.

The new Norton company hopes to sell 10,000 bikes per year by 2010.

A nod to the hogs

This new attention to bikes that look like they're from the golden age of motorcycles shows why **Harley Davidsons** have stayed so **popular.** The new ones look like much like the old ones. You can make all the jokes you want about their old school, "lawnmower" technology, but they have retained that classic look and feel and kept riders coming back.

These new machines with old faces might be playing upon a sense of nostalgia for some riders. But they attract just as many younger ones for another reason -- as their technologically superior competitors become more space-aged in appearance and lightning quick, they may be losing sight of the fact that a motorcycle, for most, is simply about freedom.

And you don't need to reach 150 mph and look like Buck Rogers to get it.

-- Michael Moore and Milt Klingensmith are artists -- and bikers -- at the Press.

LOAD-DATE: March 21, 2007



Stock Alert: Emerging Public Company Passes Evaluation of Abercrombie & Fitch and Signs New Contract! April 20, 2006; NOTE TO EDITORS: The Following Is an Investment Opinion Being Issued by Wall Street Capital Funding. Market Wire April 20, 2006 Thursday 6:52 AM GMT

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April 20, 2006 Thursday 6:52 AM GMT

LENGTH: 1878 words

HEADLINE: Stock Alert: Emerging Public Company Passes Evaluation of Abercrombie &

Fitch and Signs New Contract! April 20, 2006;

NOTE TO EDITORS: The Following Is an Investment Opinion Being Issued by Wall Street

Capital Funding.

DATELINE: WESTON, FL; Apr 20, 2006

BODY:

Wall Street News Alert's "stocks to watch" this morning are: <u>Ever-glory International Group</u>__(OTC BB: EGLY), <u>ASML Holdings NV</u> _(NASDAQ: ASML →), <u>Knight Capital Group, Inc.</u> → (NASDAQ: NITE) and <u>Blockbuster Inc.</u> →(NYSE: BBI →).

There is more great news from <u>Ever-glory International Group</u> (OTC BB: EGLY) which should keep the company in front of aggressive investors and day traders this morning! Yesterday after the stock markets closed, the company issued a press release announcing that it has passed the evaluation of Abercrombie & Fitch's Product Quality Standard to become its producer.

The positive news should keep the attention of investors! The production orders were signed through an agent and valued at over \$500,000. Ever-Glory's reputation for quality products and responsible business practices are becoming firmly established throughout the apparel industry as deals with more top-tier apparel companies are in discussion.

Investors should continue to monitor the progress of <u>Ever-glory International!</u> The deal with Abercrombie & Fitch, a popular brand among US college students, comes at a good time, as Ever-Glory has recently become a publicly traded company on the U.S. stock market. The manufacturing of such clothes will help them to further develop new clothing styles to fit U.S. trends.

"Manufacturing Abercrombie & Fitch's fashionable, immensely popular lines of clothing will be another step in the right direction for Ever-Glory, as we will continue to expand our reach in the U.S. market and further strengthen our expertise in establishing the best quality production possible," commented Edward Kang, President and CEO of Ever-Glory.

News of the new agreement should be welcomed by investors, as the company anticipates substantial revenue from the new production orders.

Wall Street News Alert is continuing to place Aggressive Investors on alert to monitor the progress of Ever-glory International! Two days ago, Market Advisors, a well-respected stock analysis firm, issued a press release initiating coverage on the company. Mr. Jeff Helleberg of Market Advisors stated, "We feel Ever-Glory is a solid candidate to be owned in any long-term growth investment portfolio provided they follow their business plan. At the current price of \$1.30, the appeal here lies in the large multiple of profits that can be achieved with a modest initial investment. EGLY has achieved a steady 30% increase in annual sales over the past ten years and net revenues are on the rise." The complete, unedited analyst report can be viewed by going to www.stockmarketgarden.com. Market Advisors was compensated \$2,500 and was the source of the press release.

Prior to the latest press release, the stock closed yesterday at \$1.76 a share.

For an in-depth profile of <u>Ever-glory International</u>, visit <u>http://www.thenewssvc.com/EGLY041906.html</u>

To view all of Wall Street News Alert's special early morning trading alerts for this morning, visit www.WallStreetNewsAlert.com, where you may also sign up to receive free email alerts in advance of our press releases being issued.

In case you are not familiar with the company: According to the press release, Ever-Glory International Group vis a U.S. publicly-traded company engaged in international garment manufacturing for well-known middle to high-grade casual, outer, and sportswear brands. The company's U.S. headquarters is based in Los Angeles, CA; although Ever-Glory also owns a full subsidiary company, Nanjing Goldenway Garments Co. Ltd. located in China. Ever-Glory has strategic marketing and logistics channels located in, Japan, Europe, and United States and has strategic business partners in countries and regions including China, Hong Kong, the U.S., and the U.K. The Company cooperates with well-respected garment retailer chains such as ITOYOKADO, UNIQLO, Debenhams, GAP, C&A, NEXT, BHS, TESCO, M&S, J.C.PENNY, WARL-MART, KELLWOOD (KWD), B.B.DAKOTA and ABERCROMBIE & FITCH (ANF) in handling high and middle grade casual-wear and sportswear. The company entered into production and sale cooperation agreements with a number of internationally famous brands such as LEVI'S, GUESS (GES), OLDNAVY, BROOKS BROTHERS, HARLEY-DAVIDSON (HDI), JONES, EDWIN, BOBSON, BIG JOHN, REEBOK (RBK), THE NORTH FACE, FAT FACE, STS and POLO. The company employs about 700 people. At present, the market distribution is segmented as 35% in Japan, 50% in Europe and the 15% in United States.

ASML Holdings NV → (NASDAQ: ASML →) up 4.3% on 14.8 million shares traded.

ASML is a provider of lithography systems for the semiconductor industry.

Knight Capital Group, Inc. → (NASDAQ: NITE) up 19.3% on 13 million shares traded.

<u>Knight Capital Group, Inc.</u> → is one of the leading financial services firms that provides comprehensive trade execution solutions and asset management services.

Blockbuster Inc. →(NYSE: BBI →) up 8.9% on 14.6 million shares traded.

Blockbuster Inc. →is a provider of in-home movie and game entertainment.

Commentary:

"March CPI, where the core was up higher than expected 0.3% the largest since last March,

gave analysts some worries. This data will be closely watched at the Fed since consumer inflation is a key component of the economy. Despite some indications that the Fed will ease its rate hikes, some analysts are predicting more rate hikes based on this new CPI information," stated Sonja Rudd in Wall Street News Alert's daily commentary continued at: http://www.WallStreetNewsAlert.com.

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This profile is not without bias, and is a paid release. WSCF has been compensated for dissemination of company information on behalf of one or more of the companies mentioned in this release. WSCF has been compensated Forty Thousand Dollars for coverage of Ever-Glory International Group—(OTC BB: EGLY), by a third party (Nikolas Capital Corp.), who is non-affiliated and may hold a significant position in the stock, for services provided including dissemination of company information in this release. WSCF holds no shares of the stock. WSCF may receive additional compensation for extension of its services. Any additional compensation will be disclosed at such time that WSCF is aware of a client's

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Company: Wall Street News Alert

SOURCE: Wall Street News Alert

LOAD-DATE: April 21, 2006

Mark: SHIET BINNESSH

Harley-Davidson Markets to Women The Wall Street Journal February 22, 2006 Wednesday

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THE WALL STREET JOURNAL.

The Wall Street Journal

February 22, 2006 Wednesday

LENGTH: 1211 words

HEADLINE: Harley-Davidson Markets to Women

BYLINE: By Cynthia Koons

BODY:

Harley-Davidson Inc. -'s female customers aren't looking for pink motorcycles.

Research by the Milwaukee company's marketing team shows women seek the same things as its mostly male clientele: adventure, freedom and individuality.

To profit from this knowledge, Harley has built a marketing strategy to bring more women into what it likes to call the "Harley-Davidson family." The effort is both grass-roots, through women-only events sponsored by individual dealerships, as well as mainstream, with a Conde Nast Publications Inc. — magazine ad campaign expected to launch this spring.

For the heavyweight-motorcycle maker, it is a chance to extend beyond its boys-club image to increase profit. Analysts are uncertain as to how great an effect it will have on the company's financial performance just yet, but they are keeping a close eye on how Harley courts its future femmes nonetheless. It appears to be a plan with potential: Currently, only 11% of its riders are women.

"In the last 10 years, we've really recognized that they're an audience, and we've done a lot more research in understanding the women's market," said Harley-Davidson's vice president of marketing, Joanne Bischmann, a Harley owner herself. "A rider is a rider is a rider. What we also found was . . . they didn't want a special product, they didn't want a pink motorcycle, for example, but they did want a product that fit them better."

Female motorcycle ridership has risen in recent years, not just at Harley-Davidson, but across the board. The latest statistics from the Motorcycle Industry Council show in 2003 that women accounted for 9.6% of total motorcycle owners.

The number of female Harley-Davidson owners increased from 600 in 1985 to more than 30,000 in 2005.

"They're not really lagging the market, but they're not leading the market in terms of attracting women motorcyclists," A.G. Edwards analyst Timothy Conder said.

Harley's efforts to draw more women customers come as the company has become more comfortable with its place in the larger motorcycle market.

"In 1999 to 2001, Harley actually lost market share because they just could not keep pace with the growth of the market," Mr. Conder said. Harley-Davidson's stock price reflected this surge in the market. In November 1998, the shares were trading around \$20 each; by September 2001, the price had doubled.

"They had much more demand than they could handle. Now the market growth has moderated; they've regained some of the share they lost during those years," Mr. Conder said. "I think they looked and said: `Here's our current demographic, let's see where we can get more customers.' "

The stock didn't stop its climb after reaching \$40 a share in 2001. It more or less continued to rise until February 2005, when it reached a high of \$62.49 a share.

Within the past year, the stock has given back some of those gains amid concerns about how the company would perform in the face of heavy incentive spending from auto rivals. But, for the most part, the stock has stayed on an upward course. It closed at \$52.03 Friday, down four cents, in 4 p.m. composite trading on the New York Stock Exchange. The company reported 2005 sales rose more than 6% to \$5.34 billion from \$5.02 billion in 2004.

The effect of Harley's initiatives to market their products to women has yet to be fully realized, analyst David Cumberland of Robert W. Baird & Co. said.

"It's an important way for Harley to grow," he said. "When you think about the initiatives, the products that are either modified or introduced and the training, even though they're established, they're still in the fairly early stages. The impact of those should be larger going forward than it has been so far," Mr. Cumberland said.

To aid its efforts, Harley's management team plans to continue to break down what it sees as misconceptions about the brand's macho mystique.

"What does `macho' really mean?" Ms. Bischmann asked. "Macho is tough, bold and sexy. There's not an equivalent of `macha.' If you look at our brand, when you use that term, that's what you'd equate it to. It's not a masculinity thing. It's tough, it's bold and women can be that way, too."

Harley-Davidson has spent the past two years studying specific customer groups, Ms. Bischmann said, in order to develop marketing plans such as the one tailored toward the woman biker.

Brian Rayle, an analyst at FTN Midwest Research, said the company has reduced the amount of force it takes to operate a motorcycle and lowered seat heights.

With the fit-to-ride bikes, women can learn how to ride through the Rider's Edge program, offered at individual dealerships for the licensing of first-time riders. According to Harley-Davidson's data, 38% of those who have enrolled in the course, which has been offered since 2000, have been women.

"It takes a lot of the intimidation out of it," Mr. Rayle said.

Mr. Conder said he is monitoring the increase in female buyers who come to the brand both through Rider's Edge and independently of the program.

Women riders beget more women riders, or so the marketing methodology goes at Harley-Davidson.

"We did some advertorials in Vanity Fair a couple of years ago where we featured women artists and other celebrities that ride," Ms. Bischmann recalled. "Women tend to be empowered by seeing other women ride."

Harley uses its Web site as another way to introduce women -- albeit those already interested in the brand -- to the sport through a Women & Motorcycling link where would-be riders can find road stories, a history of female bikers and tips on how to get started.

To reach potential riders who might not already be surfing its site, Harley is placing ads in magazines such as Jane, Allure, Vanity Fair, Glamour and Self as part of its relationship with Conde Nast.

On the grass-roots level, the company's independent dealerships offer events such as "Garage Parties" and "Diva Rides" to introduce first-time riders to the sport in largely female environments.

Pat Bush, a female Harley-Davidson dealer-owner in Kirkwood, Mo., near St. Louis, threw her first Garage Party in November -- an idea that came to her from a female executive in the company.

"Women who've never ridden could walk the parking lot and see `Wow, this woman is only [4 feet 11 inches], and she rides this bike,' " Ms. Bush said. "It's a big step for a woman to step out and part with money that she could spend for her children and housing to buy a motorcycle, and then to take the time to do the riding."

At Ms. Bush's party, women were exposed to Harleys through a variety of stations including the motoring-clothes area, a photo with a bike, service and operations demonstrations and a popular virtual ride with wind simulation to mimic the experience of the road.

"If every one of them could have ridden the Virtual Dyno, they'd still be online right now," she said, more than two months after the event was held.

A.G. Edwards has had a noninvestment banking relationship with Harley Davidson in the past year. Robert W. Baird & Co. expects or intends to seek investment-banking compensation from the company in the next three months. FTN Midwest Research's Mr. Rayle had no conflicts of interest to report.

NOTES:

PUBLISHER: Dow Jones & Company, Inc.

LOAD-DATE: February 23, 2006

Mark: (HOLY DIVINESON

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THE KANSAS CITY STAR.

Found on KansasCity * com The Kansas City Star

January 21, 2006 Saturday

SECTION: H; Pg. 1

LENGTH: 689 words

HEADLINE: Ford's Harley-Davidson F-150 now offers all-wheel drive

BYLINE: Tom Strongman, Contributing editor

BODY:

Harley-Davidson motorcycles are riding a wave of **popularity**, and many of them reside in upscale suburban garages.

It's only natural that <u>Ford Motor Co.</u> would like to grab some of that cachet, so it began a run of limited-edition, Harley-Davidson-themed F-150 pickups back in 1999. The 2006 model is the most appealing, not only because it is the best looking but also because it is available with all-wheel drive that gives it true all-weather capability.

The 2006 model is based on the SuperCab that has a modestly sized back seat and front-opening side doors. The 6.5-foot bed is long enough to hold motorcycles. The base price is \$38,285.

A monotone color scheme is used inside and out, and the effect is stunningly handsome. On the outside, a chrome tube grille, fog lights, giant 22-inch wheels and large Harley-Davidson badges punctuate the solid black.

A 5.4-liter, 300-horsepower V-8 powers this macho truck, and the dual exhausts have a bark that echoes with bravado. Loud exhausts and Harleys go hand in hand, and while the F-150 is not illegally loud, it makes as much noise as is allowed, and the sound is delightfully pure.

This engine has three valves per cylinder and variable cam timing, and it produces 365 pound-feet of torque. The maximum tow rating is 9,300 pounds with the 3.73 axle ratio. That's enough to haul a good-size boat, camper or even a trailer full of motorcycles.

The real eye-catcher comes when you open the door and slide inside. The high-gloss, piano-black trim on the doors and instrument panel is exceptionally rich, and the plentiful chrome accents heighten the effect. The center stack is covered with a faux carbon fiber pattern that was created by subtly repeating the outline of the Harley logo. The execution is both elegant and clever.

The gauges have silver backgrounds that look good in daylight, but at twilight, or in low light, the lighted orange numbers are hard to read because they don't contrast with the silver enough. In pure dark, they're fine.

Glove-soft black leather seats and a huge center console, also covered in leather, round out the interior. I wish the seats had larger side bolsters for more lateral support. Adding to the overall custom feel is a serialized nickel plate showing the vehicle's production date and number.

The back seat of the SuperCab is not as spacious as the SuperCrew's, but it had enough legroom for adults to be comfortable there for short periods of time. Putting people or things into the back seat requires that the front door be opened first, and that can be inconvenient.

Despite the 22-inch wheels and ultra-low-profile tires, the Harley F-150 rides pretty smoothly. Getting into the cab requires a hefty step up that can be challenging for shorter occupants or women in skirts.

Ford's F-150 is extremely civilized. Wind and road noise have been reduced through the use of sandwich steel panels and foam-filled pillars. The fully boxed frame resists bending and twisting under heavy loads. The suspension is tuned for responsive handling whether the truck is loaded or not.

Price

The test truck's base price was \$38,285. Options included an upgraded audio unit, power moonroof, power sliding rear window, tow package, Sirius satellite radio, 35-gallon fuel tank, rear-parking sensors, 3.73 axle ratio and the Harley-Davidson package. The sticker price was \$42,120.

Warranty

Three years or 36,000 miles.

Engine: 5.4-liter, 300-hp V-8

Transmission: automatic

Four-wheel drive

Wheelbase: 144.5 inches

Curb weight: 5,471 lbs.

Base price: \$38,285

As driven: \$42,120

Mpg rating: 14 city, 18 hwy.

Point: There's something symbiotic between pickup trucks and Harley-Davidson motorcycles. That makes the limited-edition Harley-Davidson F-150 a natural for both companies. Ford lavished black paint, black leather and high-gloss piano-black interior trim on an all-wheel-drive F-150 with 22-inch chrome wheels. The combination has stunning good looks.

Counterpoint: This F-150 sits high off the ground, and climbing in is hard for short drivers or women in skirts. The gauges are hard to read in low light.

To get in touch with Tom Strongman, send e-mail to tstrongman@kc.rr.com.

LOAD-DATE: January 21, 2006



U.S. to step up footwear imports The Economic Times October 19, 2005, Wednesday

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October 19, 2005, Wednesday

KR-ACC-NO: ET-SHOE-IMPORTS-20051019

LENGTH: 375 words

HEADLINE: U.S. to step up footwear imports

BYLINE: By Preiti Sharma Shahane

BODY:

BANGALORE, India -- A delegation of leading US footwear companies is currently in India to explore opportunities for higher imports of footwear, leather goods and accessories from the country. Currently, over 82 per cent of all footwear sold in the US is sourced from China.

The delegation includes first-time visitors such as representatives from New Balance and Revolution and others like Timberland and Wolverine Worldwide. These companies own **famous brands** such as Sebago, Merrell, Hush Puppies, **Harley Davidson** and Caterpillar.

The US delegation has been brought here by the American Apparel and Footwear Association (AAFA) and is led by Killick Sudeepto Datta, founder and CEO of Global Brand Marketing (GBMI).

The Council for Leather Exports (CLE), the organisers of the programme in India, has identified the US as the prime focus market for footwear as it accounts for close to a third of global footwear imports.

After a three-year stagnation, India's footwear exports to the US grew by 15 percent during '04-05 over the previous year. India, the second largest shoe-producing country in the world, exports only about 12 percent of its total leather exports to the US.

This accounts for \$ 280m in leather exports and \$ 90m worth of footwear exports to the US. "We are aiming at a 6-8 percent jump in this volume over the next one year," Rafeeque Ahmed, chairman, CLE, said.

"Even a slight jump in the total percentage of Indian footwear exports to the US would result in substantial numbers for us," added Sanjay Leekha, vice-chairman, CLE.

Major international brands already sourcing from India include Walmart, Florsheim, Hush Puppies, Hugo Boss, Tommy Hilfiger, K Shoes, Nike, Reebok, Ecco, Deichman, Marks and Spencer, Adidas, Fila, Nautica and Rockport.

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JOURNAL-CODE: ET

LOAD-DATE: October 21, 2005



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October 13, 2005 Thursday Late Edition - Final

SECTION: Section C; Column 5; Business/Financial Desk; Pg. 6

LENGTH: 220 words

HEADLINE: Harley-Davidson Quarterly Earnings Up

BYLINE: AP

DATELINE: MILWAUKEE, Oct. 12

BODY:

<u>Harley-Davidson Inc.</u> -said Wednesday that its third-quarter profit rose nearly 16 percent, citing robust motorcycle shipments worldwide.

The results beat analysts' average forecast, and Harley-Davidson's stock rose \$1.30, or 2.8 percent, to close at \$46.90 a share.

Earnings rose to \$265 million, or 96 cents a share, from \$229 million, or 77 cents a share, a year earlier. Analysts surveyed by Thomson First Call expected the company to earn 90 cents a share.

Revenue increased 10 percent, to \$1.43 billion from \$1.3 billion a year earlier, driven by double-digit sales growth in the United States, Europe and Japan. Global wholesale motorcycle shipments rose 8.7 percent, to 87,585 units.

But the company lowered the bottom range on its long-term shipments forecast on worries about rising fuel costs and consumer confidence.

Harley-Davidson also said it was widening its long-term forecast for wholesale unit growth to a range of 5 percent to 9 percent annually from a range of 7 to 9 percent.

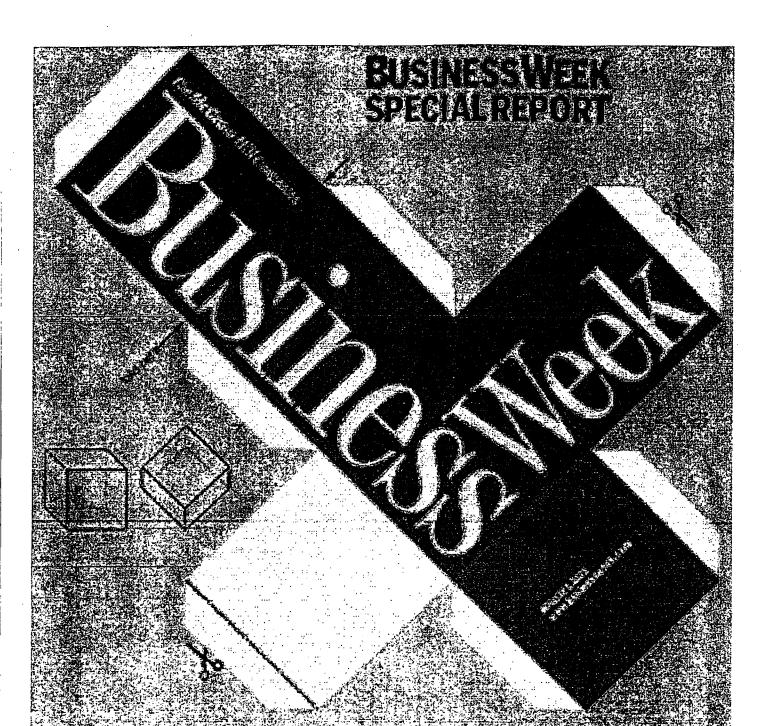
Harley-Davidson forecast that it would ship 348,000 to 352,000 motorcycles next year.

The company said worldwide retail sales rose 12.1 percent in the third quarter, to 82,368 motorcycles, from the year-earlier period. Sales grew 12.1 percent in the United States, 11.5 percent in Europe and 13.1 percent in Japan.

URL: http://www.nytimes.com

LOAD-DATE: October 13, 2005





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PLUS: THE BEST GLOBAL BRANDS

GLOBAL BRAND SCOREBOARD

The Top Brands Here's how we calculate the power in a name

INTERBRAND CORP. takes lots of ingredients into account when ranking the world's most valuable brands. To even qualify for the list, each brand must have a value greater than \$1 billion, derive about a third of its earnings outside its home country, and have publicly available marketing and financial data. One or more of those criteria eliminate such heavyweights as Visa, Wal-Mart, Mars, and CNN. We don't rank parent companies, which explains why Procter & Gamble doesn't show up. And airlines are not ranked because it's too hard to separate their brands' impact on sales from factors such as routes and schedules.

BUSINESSWEEK CHOSE Interbrand's

methodology because it evaluates brands much the way analysts value other assets: on the basis of how much they're likely to earn in the future. The projected profits are then discounted to a present value, taking into account the likelihood that those earnings will actually materialize.

THE FIRST STEP IS figuring out what percentage of a company's revenues can be credited to a brand. (The brand may be almost the entire company, as with McDonald's Corp., or just a portion, as it is for Marlboro.) Based on reports from analysts at J.P. Morgan Chase, Citigroup, and Morgan Stanley, Interbrand projects five years of earnings and sales for the brand. It then deducts operating costs, taxes, and

a charge for the capital employed to arrive at the intangible earnings. The company strips out intangibles such as patents and management strength to assess what portion of those earnings is due to the brand.

FINALLY, THE BRAND'S strength is assessed to determine the risk profile of those earnings forecasts. Considerations include market leadership, stability, and global reach—or the ability to cross both geographical and cultural borders. That generates a discount rate, which is applied to brand earnings to get a net present value. BusinessWeek and Interbrand believe this figure comes closest to representing a brand's true economic worth.

RANK 2005	/ 2004		2005 BRAND VALUE \$MILLIONS	2004 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
	1	COCA-COLA	67,525	67,394	0%	U.S.	While Coke struggles to add new diet and energy drinks, it is still searching for a zippier global advertising message.
	2	MICROSOFT	59,941	61,372	-2%	U.S.	It continues to reach into hot consumer markets such as TV set-top box software, video games, and mobile phones.
	3	IBM	53,376	53,791	-1%	U.S.	The sale of the notebook business to Lenovo continues the transformation from a computer manufacturer to a services and consulting company.
	4	GE	46,996	44,111	7%	U.S.	Hawking itself as a center of cutting-edge innovation and source of earth-friendly products has enhanced GE's brand image.
	5	INTEL	35,588	33,499	6%	U.S.	Thanks to its Pentium chips and Centrino wireless notebooks, Intel is a household name worldwide.
	8	NOKIA	26,452	24,041	10%	Finland	Looking to take on Apple's iPod as cell phones and MP3 players converge into one device.
	6	DISNEY	26,441	27,113	-2%	u.s.	Incoming CEO Bob Iger must develop new offerings. The trend is toward edgier fare even for kids.
	7	McDONALD'S	26,014	25,001	4%	U.S.	Who's not lovin' it? Big Mac has reconnected with moms and teens thanks to new offerings like salads and a hipper image.
	9	TOYOTA	24,837	22,673	10%	Japan	Poised to pass GM globally, Toyota's image gets a big boost from its growing stable of hybrids.
	10	MARLBORO	21,189	22,128	-4%	U.S.	Still tops in the U.S., the world's biggest cigarette brand has struggled in Europe of late, losing share in France and in Germany.
	11	MERCEDES-BENZ	20,006	21,331	-6%	Germany	Quality problems and strategic errors have punctured Mercedes' sales for two years. Will the new S-Class sedan help buff its image?
	13	CITI	19,967	19,971	0%	U.S.	A history in global markets that often helps it trump local players has helped to shield Citi from recent scandals.
	12	HEWLETT-PACKARD	18,866	20,978	-10%	U.S.	Printer king HP faces increased competition, and new CEO Mark Hurd must figure a way to improve performance against computer rivals Dell and IBM.
	14	AMERICAN EXPRESS	18,559	17,683	5%	U.S.	AmEx' star is rising since it won the right to let banks issue its cards. AmEx invested heavily in marketing spending worldwide.
	15	GILLETTE	17,534	16,723	5%	U.S.	The King of Blades is on a roll, with its battery-powered M3Power razor helping produce record results. Now it's getting ready to merge with P&G.

RANK 2005 / 200	04	2005 BRAND VALUE \$MILLIONS	2004 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
17	BMW	17,126	15,886	8%	Germany	BMW is in the fast-lane, proving that the right mix of engineering and marketing can propel an auto makers' performance even in tough markets.
16	CISCO	16,592	15,948	4%	U.S.	Partnered with Microsoft to tackle Internet security and limit damage from viruses. A new focus on small business is paying off.
44	LOUIS VUITTON	16,077	NA	NA	France	With Uma Thurman promoting its hot new Monogram Cerises collection, the world's richest luxury brand seems unstoppable.
18	HONDA	15,788	14,874	6%	Japan	Consumers can't get enough of Honda. Now it plans to boost annual North American production to 1.4 million vehicles by 2007.
21	SAMSUNG	14,956	12,553	19%	S. Korea	One big brand marketed everywhere, plus an explosion of popular cell phones, is boosting sales of all its gadgets.
25	DELL	13,231	11,500	15%	U.S.	It has the biggest market share in personal computers and is now aggressively pushing printers, TVs, and laptops as PC demand slows.
19	FORD	13,159	14,475	-9%	U.S.	Mustang is red hot. But SUVs and pickups, which had been top money-makers, are cold, and competition hammers truck profit margins.
22	PEPSI	12,399	12,066	3%	U.S.	Increasing emphasis on Diet Pepsi and Hispanic marketing, plus big-event advertising on the Super Bowl and Oscars is boosting brand growth.
23	NESCAFE	12,241	11,892	3%	Switzerland	Holding its own in the Starbucks era by offering ready-to-drink products such as Ice Java coffee coolers.
26	MERRILL LYNCH	12,018	11,499	5%	U.S.	Its revamped retail brokerage business is increasingly being recognized as the best performer in the industry.
24	BUDWEISER	11,878	11,846	0%	U.S.	The King of Beers sputtered a bit in 2004, owing to competition from domestic brewers and spirit makers. Bud is battling back with new products.
28	ORACLE	10,887	10,935	0%	U.S.	Winning the battle for PeopleSoft, and two other acquisitions, was easy. Oracle now has to integrate all of those products and employees.
20	SONY	10,754	12,759	-16%	Japan	Top priority for Sir Howard Stringer, Sony's first ever gaijin CEO: getting the company's consumer electronics biz back on track.
33	HSBC	10,429	8,671	20%	Britain	HSBC's three-year-old campaign, "The World's Local Bank," is paying dividends as it rebrands international acquisitions.
31	NIKE	10,114	9,260	9%	U.\$.	While rivals branch out into hip hop, Nike focuses on athletics. The swoosh overtook Adidas as the biggest supplier of soccer shoes in Europe.
29	PFIZER	9,981	10,635	-6%	U.S.	Patent expirations and a weak new-product pipeline hurt the No. 1 drugmaker's prospects. A cost-cutting push won't cure those ailments.
NE	w UPS	9,923	New	New	U.S.	Buying regional shippers and rebranding them has enabled Brown to benefit from explosion in mail order and Net selling.
27	MORGAN STANLEY	9,777	11,498	-15%	U.S.	Very public management turmoil and the ouster of CEO Philip J. Purcell seriously damaged the firm's sterling reputation.
30	JPMORGAN	9,455	9,782	-3%	U.S.	JPMorgan Chase's venerable name has taken its lumps as the bank struggles to absorb its latest acquisition, Chicago's Bank One.
35	CANON	9,044	8,055	12%	Japan	Color copiers and top-notch cameras make Canon one of Japan's most profitable companies. Tennis star Maria Sharapova adds star quality.
34	SAP	9,006	8,323	8%	Germany	The software giant gained brand value thanks to innovation and smart marketing, but rival Oracle grabbed headlines with its PeopleSoft takeover.
37	GOLDMAN SACHS	8,495	7,954	7%	U.S.	Prestige and stability count for a lot, especially when other firms have high-profile management traumas.
NE	w GOOGLE	8,461	New	New	U.S.	Google spent \$5 million on marketing in 2004, a fraction of the totals spent by competitors. Yet more people than ever go to Google to search.
36	KELLOGG'S	8,306	8,029	3%	U.S.	Cereal is up and acquired brands like Keebler and Morningstar Farms are up even more. International growth is strong.
38	GAP	8,195	7,873	4%	U.S.	Sarah Jessica Parker couldn't fend off lackluster sales in 2004. Now the clothier is betting on remodeled stores to move more merchandise.
43		7,985	6,871	16%	U.S.	With iPod-mania showing no signs of abating, Apple's brand is hotter than ever. That's giving a lift to Mac sales and sets the stage for new offerings.
40	IKEA	7,817	7,182	9%	Sweden	The Swedish furniture giant continues to boost sales through smart design and aggressive geographic expansion.
NE	w NOVARTIS	7,746	New	New	Switzerland	A heavy advertiser, it ran ads during the Super Bowl and is big in Internet search advertising.
45	UBS	7,565	6,526	16%	Switzerland	Its global brand strategy is winning new customers for private wealth management business.

GLOBAL BRAND SCOREBOARD

RANK 2005 / 2004		2005 Brand Value \$MILLIONS	2004 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
39	SIEMENS	7,507	7,470	1%	Germany	After selling the money-losing mobile handset business, new CEO Klaus Kleinfeld is concentrating on business-to-business products.
41	HARLEY-DAVIDSON	7,346	7,057	4%	U.S.	Harley lost 27% of its stock value this spring. Its problems: slowing growth, high bike prices, and aging Baby Boomer buyers.
42	HEINZ	6,932	7,026	-1%	U.S.	It continues to fight private-label brands for space on kitchen tables, buying Lea & Perrins Worcestershire Sauce in June.
47	MTV	6,647	6,456	3%	U.S.	The planned cleaving of parent Viacom to unlock shareholder value underscores the growth prospects, particularly overseas, of MTV Networks.
59	GUCCI	6,619	NA	NA	Italy	Star designer Tom Ford stepped down last year, but CEO Robert Polet has put Gucci back on its feet with strong sales of footwear and leather accessories.
46	NINTENDO	6,470	6,479	0%	Japan	The brand is treading water, but launch of the Nintendo DS portable games machine should raise the company's profile.
50	ACCENTURE	6,142	5,772	6%	U.S.	Outsourcing has been a strong growth area, winning high-profile, high-value contracts such as border security in the U.S.
49	L'OREAL	6,005	5,902	2%	France	The beauty-products giant is sitting pretty, with strong growth in the U.S. and Asia. Sagging European sales are starting to shore up.
65	PHILIPS	5,901	NA	NA	Netherlands	The consumer electronics and medical systems colossus launched a global rebranding effort that raised its ranking, but its visibility still lags in the U.S.
51	XEROX	5,705	5,696	0%	U.S.	Despite a steady march of new products—40 in 2004 alone—the copier giant has not been able to build momentum with investors.
60	EBAY	5,701	4,700	21%	u.s.	The online marketplace's brand value shot up thanks to a runup in its stock price. But revenue growth is slowing as some merchants try rivals.
48	VOLKSWAGEN	5,617	6,410	-12%	Germany	Unexciting designs and luxury products forced on a value brand is costing the German auto maker customers worldwide.
52	WRIGLEY'S	5,543	5,424	2%	U.S.	The No. 1 name in gum is making a big push into other tasty treats with its recent purchase of Altoids and Life Savers.
61	YAHOO!	5,256	4,545	16%	U.S.	The decade-old Internet brand has matured from "colorful" and "wacky" to "useful" and "indispensible" in recent years.
58	AVON	5,213	4,849	8%	U.S.	Struggles in the U.S. market were offset by red-hot direct sales in Eastern Europe and other developing economies.
56	COLGATE	5,186	4,929	5%	U.S.	Responding to the rising challenge of rival P&G, the global toothpaste giant sharply increased advertising and promotional spending in 2004.
54	KFC	5,112	5,118	0%	U.S.	KFC is going away from "healthy" offerings, playing up guilty pleasures and moving back to the Kentucky Fried Chicken brand name.
53	KODAK	4,979	5,231	-5%	U.S.	Though Kodak has made impressive strides in digital photography, the stock has been hurt by a credit-rating demotion to junk-bond status.
55	PIZZA HUT	4,963	5,050	-2%	U.S.	"Healthy" pizza items and aggressive product-placement strategy in video games aren't enough to overcome the low-carb eating trend.
57	KLEENEX	4,922	4,881	1%	U.S.	As Gen Y consumers buy private label or whatever is on sale, Kleenex plays the innovation card with its launch of Moist Cloth tissues.
64	CHANEL	4,778	4,416	8%	France	The Paris fashion house is the essence of chic. Nicole Kidman promoting Chanel No. 5 perfume helps, too.
62	NESTLE	4,744	4,529	5%	Switzerland	Best known for chocolate, the Swiss food giant posts stronger sales growth from newer products such as Aquarel bottled water.
63	DANONE	4,513	4,488	1%	France	U.S. and Asian sales of Danone yogurts and yogurt-based drinks help offset recent weakness in its core European markets.
66	AMAZON.COM	4,248	4,156	2%	U.S.	The pioneer e-tailer has kept its brand equity steady by chucking TV ads and spending the money on relentlessly lowering prices.
67	KRAFT	4,238	4,112	3%	U.S.	A leaner portfolio of brands should give the maker of Oreos and Maxwell House a boost on store shelves.
68	CATERPILLAR	4,085	3,801	7%	U.S.	Cat, with its giant earth-hauling machines, maintains a strong reputation for ruggedness.
69	ADIDAS	4,033	3,740	8%	Germany	Collaboration with hip-hop queen Missy Elliott proves that athlete endorsements aren't the only way to sell sports apparel.
70	ROLEX	3,906	3,720	5%	Switzerland	Still the ultimate status-symbol timepiece. Rolex is polishing its appeal with marketing initiatives such as an arts sponsorship program.
76	MOTOROLA	3,877	3,483	11%	U.S.	Slick designs like the \$500 Razr phone make Motorola a force, especially at the high-end of personal digital electronics.

GLOBAL BRAND SCOREBOARD

RANK 2005 / 2004		2005 BRAND VALUE \$MILLIONS	2004 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
71	REUTERS	3,866	3,691	5%	Britain	CEO Tom Glocer has led a revival, but catching up to archrival Bloomberg is still an uphill battle.
72	ВР	3,802	3,662	4%	Britain	Despite a Texas refinery accident and a damaged platform in the Gulf of Mexico, BP is challenging ExxonMobil for pole position in the oil industry.
74	PORSCHE	3,777	3,646	4%	Germany	An SUV at the legendary sports car company didn't hurt brand caché. A sedan might be next. The company is testing how broad the brand can be.
NEW	ZARA	3,730	New	New	Spain	Cutting-edge Spanish apparel retailer epitomizes cheap chic, knocking out mass-produced copies of catwalk fashions almost overnight.
77	PANASONIC	3,714	3,480	7%	Japan	With first-rate DVD recorders and the best-selling plasma TVs in the U.S., small wonder that Panasonic's star is rising.
81	AUDI	3,686	3,288	12%	Germany	Germany's No.3 luxury-carmaker scored a big improvement in initial quality in J.D. Power's 2005 ranking, leading to 8.2% higher sales worldwide.
80	DURACELL	3,679	3,362	9%	U.S.	Despite rampant price competition in the battery business, Duracell has achieved record profitability thanks to cost-cutting and effective ads.
75	TIFFANY & CO.	3,618	3,638	-1%	U.S.	Japan turned cold for Tiffany this year, contributing to disappointing earnings in the last half of the year.
79	HERMES	3,540	3,376	5%	France	Designer Jean-Paul Gaultier is wowing fans of the family-run luxury group with new takes on the Birkin and Kelly handbags.
78	HERTZ	3,521	3,411	3%	U.S.	Still a leader with business travelers, Hertz shouldn't miss a beat when Ford completes the sale of this market-leading rental-car business.
NEW	HYUNDAI	3,480	New	New	S. Korea	It's the fastest-growing auto brand in the world. Now it's aggressively moving upscale into bigger, more profitable segments.
90	NISSAN	3,203	2,833	13%	Japan	Snappy designs and aggressive pricing are raising Nissan's market share along with its profits.
83	HENNESSY	3,201	3,084	4%	France	Hip-hop artists made this French cognac a U.S. best-seller. Asia could fuel future growth.
88	ING	3,177	2,864	11%	Netherlands	ING Direct is a phenomenal success: It's the largest online bank. Now it's aiming for Chinese expansion with its Bank of Beijing investment.
86	SMIRNOFF	3,097	2,975	4%	Britain	Sales are up significantly after rebranding campaign. Extension into malt liquor Ice brand has been a big success.
91	CARTIER	3,050	2,749	11%	France	After several tough years, the jewel in Swiss luxury group Richemont's crown has rediscovered its sparkle, thanks to new jewelry lines.
84	SHELL	3,048	2,985	2%	Brit./Neth.	CEO Jeroen van der Veer is juicing up exploration while cleaning house after a scandal about overstated reserves.
87	JOHNSON & JOHNSON	3,040	2,952	3%	U.S.	While the drug business has slowed, J&J's medical devices continue to power earnings. But questions now surround its purchase of Guidant.
89	MOET & CHANDON	2,991	2,861	5%	France	Strong U.S. and Asian champagne sales keep the bubbly flowing at parent company LVMH.
95	PRADA	2,760	2,568	7%	Italy	Designer Miuccia Prada still stirs up fashionista frenzies with her edgy handbags and shoes. Sales in Asia were up 25% last year.
NEW	BULGARI	2,715	New	New	Italy	A move into luxury hotels and resorts is enhancing the jeweler's exclusive brand image.
93	ARMANI	2,677	2,613	2%	Italy	The Italian king of style is now moving into home furnishings, hotels, and restaurants. Still missing is a plan for his succession.
85	LEVI'S	2,655	2,979	-11%	U.S.	Newer brands like Citizens of Humanity and Miss Sixty keep chipping away at Levi's cool factor. Sales of Levi's jeans in the U.S. were flat from 2003.
NEW	LG	2,645	New	New	S. Korea	Once best known for its microwave ovens and basic refrigerators, LG is now rolling out snazzy cell phones, plasma TVs, and digital gizmos.
97	NIVEA	2,576	2,409	7%	Germany	The business formula has growing appeal to aging baby boomers on a budget: Skin care that doesn't cost a fortune.
98	STARBUCKS	2,576	2,400	7%	U.S.	Profits and share price remain high. Now Starbucks is pushing to become a force in music distribution.
99	HEINEKEN	2,357	2,380	-1%	Netherlands	Still the leading international beer brand, but the Amsterdam-based brewer is struggling to keep growth going.

The brand valuations draw upon publicly available information, which has not been independently investigated by Interbrand. Valuations do not represent a guarantee of future performance of the brands or companies. NA = Not available: Last year's brand value has been restated due to the availability of new data. Data: Interbrand Corp., J.P. Morgan Chase & Co., Citigroup, Morgan Stanley, BusinessWeek

Mark: CARISTS

Great workplaces don't come cheap Furniture Today July 25, 2005

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July 25, 2005

SECTION: EDITOR'S DESK; Pg. 4

LENGTH: 313 words

HEADLINE: Great workplaces don't come cheap

BYLINE: Ray Allegrezza, Editor in Chief

BODY:

Imagine how rewarding it would be to pick up a business magazine and read that your company made the 100 Best Places To Work list. Even better, what if that story noted your business consistently made the list?

I visited www.greatplacestowork.com recently to get an idea of which companies are making the grade. I found some well-known names — Starbucks, Sherwin-Williams, Harley-Davidson and Microsoft. But Ikea North America was the sole representative from our world, ranked No. 62.

Top honors went to Wegmans Food Markets, a chain of grocery stores based in Rochester, N.Y. The company also topped Fortune magazine's list of best workplaces this year, and has appeared on Fortune's ranking for eight years in a row.

When asked about such recognition, Chairman Bob Wegman described it as "the culmination of my whole life's work."

A lot of owners talk about making their company a great place to work. Guys like Wegman make it happen. But it doesn't come without a price.

In Wegman's case, after becoming president of the company in 1950, he put his money where his mouth was and immediately raised the salaries of all his employees. Next, he implemented a fully paid health care program. Then Wegmans added a 401(k) plan and an employee scholarship program, which has given some \$54 million in tuition assistance since its inception in 1984.

The company also spends tons of money to train employees, with the goal of making them experts in their respective areas. One employee who manages the cheese department was sent to Italy to see how certain of the cheeses Wegmans sells are made.

To Bob Wegman, it's money well spent.

"No matter how much we invest in our people, we get much more in return," he said. "When I visit our stores, customers stop me and say, 'Mr. Wegman, you have a great store but, wow, your people are wonderful'."

Now that, friends, is a real return on investment.

LOAD-DATE: July 28, 2005

Mark: Jesus Jesus

Harley-Davidson rocks, thanks to Troutman Furniture Today July 25, 2005

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July 25, 2005

SECTION: NEWS; Pg. 129

LENGTH: 142 words

HEADLINE: Harley-Davidson rocks, thanks to Troutman

BYLINE: Staff

BODY:

Troutman, N.C.— These chairs move, but not as fast as their **namesake**.

Manufacturer Troutman Chair is introducing a line of rockers emblazoned with the **famous** logo of a new customer, **Harley-Davidson**.

Under a contract with the motorcycle manufacturer, the company designed the chairs to Harley-Davidson specifications and made them using Troutman's traditional Shaker construction techniques. The chairs will be for sale through Harley dealers — 670 in the United States and more than 600 in other countries.

The chairs will be introduced at a Harley franchisee conference this month in Denver, said Troutman Chair President Champ Land. While the chairs are restricted to the dealers for now, they may become more widely available in the future, he said.

Each of the adult and children's oak rocking chairs has the Harley logo at the inside top of the seat back.

LOAD-DATE: July 28, 2005



UNIVERSITY OF FLORIDA NAMES ASSOCIATE VICE PRESIDENT FOR MARKETING, PUBLIC RELATIONS US States News June 30, 2005 Thursday 5:48 AM EST

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June 30, 2005 Thursday 5:48 AM EST

LENGTH: 381 words

HEADLINE: UNIVERSITY OF FLORIDA NAMES ASSOCIATE VICE PRESIDENT FOR

MARKETING, PUBLIC RELATIONS

BYLINE: US States News

DATELINE: GAINESVILLE, Fla.

BODY:

The University of Florida, a component of the Florida state university system, issued the following news release:

Joe Hice, a former Harley-Davidson marketing executive, has been named the University of Florida's new associate vice president of marketing and public relations.

Hice is responsible for public relations and employee communications at the university, said Jane A. Adams, vice president of university relations. He also will direct the university's news bureau.

Hice joins UF after a long career with some of the nation's most respected and **well-known** recreational product **brands**, including **Harley-Davidson**, Segway, Sea-Doo Watercraft and others. Prior to joining UF, Hice was chief marketing officer of Segway LLC in Bedford, N.H. Segway manufactures the Segway Human Transporter, a self-balancing, two-wheeled transportation device.

He also served as director of corporate communications for <u>Harley-Davidson Motor Company</u> _in Milwaukee, Wisc., and as director of marketing communications for Bombardier Inc.'s Marine Products Division. At Harley, Hice was responsible for all corporate communications activities and employee communications. He helped form the company's Disclosure Committee and was involved in the planning of Harley-Davidson's 100th anniversary celebration in 2003.

Bombardier Recreational Products is the manufacturer of Sea-Doo personal watercraft and Sea-Doo jet boats. Hice managed the development of the Sea-Doo brand and implemented marketing communications programs that helped the company grow from the smallest company in the industry to the industry leader in just five years.

He also served as director of marketing for Wellcraft Marine and Donzi Marine in Sarasota.

Prior to entering the corporate world, Hice was co-owner of his own public relations and

marketing firm in Tampa. He also was business editor of the Tampa Times and a staff writer with Florida Trend magazine and the Tampa Bay Business Journal. He is accredited in public relations by the Public Relations Society of America.

Hice has a bachelor's degree in journalism and a master's degree in communications, both from UF, and a Master of Business Administration degree from the University of Wisconsin, Milwaukee.

Contact: Joe Hice, 352/846-3903, jhice@ufl.edu.

LOAD-DATE: November 7, 2005

Mark: GRIEF

1986 'right to know' law helps neighbors keep track of chemicals; Companies' stockpiles, emergency preparedness plans on file with county Milwaukee Journal Sentinel (Wisconsin)

April 10, 2005 Sunday

Copyright 2005 Journal Sentinel Inc. Milwaukee Journal Sentinel (Wisconsin)

April 10, 2005 Sunday Final Edition

SECTION: W Waukesha County; Pg. 1

LENGTH: 1651 words

HEADLINE: 1986 'right to know' law helps neighbors keep track of chemicals; Companies' stockpiles, emergency preparedness plans on file with county

BYLINE: SCOTT WILLIAMS, Staff, Milwaukee Journal Sentinel

BODY:

Menomonee Falls - For more than 30 years, Phillip Geib has lived next to a warehouse containing a substantial amount of hazardous chemicals.

Many times, he has wondered what was inside the giant storage tanks on Bobolink Ave. and whether any of them posed a safety hazard to surrounding residents, streams or wildlife.

"I'm always concerned about chemicals," said Geib, 73. "They truck it in from everywhere and then you don't hear much about it."

If Geib had checked with Waukesha County, he would find that his neighbor has disclosed all hazardous chemicals kept on site, as well as plans for protecting the neighborhood in the event of an accident.

Under a program rooted in one of the world's worst chemical disasters, the county maintains a database to make county residents aware of where hazardous chemicals exist and in what quantities.

More than 150 factories and other industrial operations throughout Waukesha County have filed disclosures laying out stockpiles of sulfuric acid, ammonia, diesel fuel and much more.

The process gives firefighters and other emergency workers vital information whenever they must answer an emergency call in a place where volatile mixtures of chemicals.

Emergency officials say the system, developed over the past 20 years, is working well.

"That's very helpful," said Kevin Croegaert, assistant chief of the Waukesha Fire Department, which operates a countywide hazardous materials team.

But one environmental activist worries that average residents are not taking advantage of the opportunity to become aware of chemical hazards that exist in their neighborhoods. Charlene Lemoine, a board member of the Waukesha County Environmental Action League, said the fact that no serious accidents have happened locally in recent years should not make residents complacent.

"It's good to know what you're living near," she said. "I think the average person would be surprised."

Changes since Bhopal disaster

On the morning of Dec. 3, 1984, deadly gas began leaking from a <u>Union Carbide Corp.</u> pesticide plant in Bhopal, India.

Before the leak could be contained, at least 3,800 people were killed and thousands more were injured in one of the worst chemical disasters ever. Union Carbide would end up paying nearly \$500 million to settle the resulting lawsuits.

The Bhopal tragedy sparked an overhaul of U.S. chemical reporting rules, with stringent new requirements that companies disclose the presence of hazardous materials and establish plans for protecting the public and the environment.

Known as the Emergency Planning & Community Right to Know Act, the 1986 law has affected about 7,000 industrial operations throughout Wisconsin.

Among the disclosures in Waukesha County:

- * Golden Guernsey Dairy in Waukesha uses 30,000 pounds of anhydrous ammonia in the refrigeration systems of its milk-processing plant.
- * Quad/Graphics Inc. keeps more than 5,000 pounds of sulfuric acid in its printing plants in Sussex and the City of Pewaukee.
- * Essential Industries Inc. in Merton has more than 1 million pounds of assorted chemicals on hand at its cleaning solution plant.
- * Fox River Water Pollution Control in Brookfield uses 8,000 pounds of chlorine in its wastewater treatment facility.
- * Southwest Metal Finishing in New Berlin has nearly 3,000 pounds of cyanide so toxic that less than seven drops could kill a person weighing 150 pounds.

Others filing plans include such **well-known names** as GE Medical, Cooper Power Systems, Kraft Foods and **Harley-Davidson**. Retailers also must comply even if their inventories include just a quantity of car batteries with acid, and high schools have to report large stockpiles of chlorine for treating swimming pools.

In addition to chemicals on site, companies must disclose safety measures that have been adopted, procedures that have been written for handling an accident, and the size of the area around the facility that would be in danger if a leak occurred, also known as the "vulnerability zone."

Golden Guernsey Dairy, for example, reports that an ammonia leak lasting just 10 minutes could require evacuations over a 1 ½ -mile radius, including two nearby schools and a day

care center.

All such plans are maintained by Waukesha County's Emergency Management Department and distributed to local fire departments so that firefighters are aware of hazardous materials in their communities.

A company must update its plan annually. The penalties for not complying range from \$10,000 to \$25,000 a day.

James Malueg, director of emergency management, said residents can inspect a plan for a factory in their hometown or neighborhood just by visiting his office in the Waukesha County Courthouse.

"Not only do the firefighters have a right to know what they're walking into, but the neighbors have a right to know what they're living next to," Malueg said.

But few people ask to see the chemical disclosures, which Malueg attributes to the fact that Waukesha County has had no major chemical spill or other accident in recent years.

He added: "If you've lived next door to this stuff for a generation, maybe you're used to it." Hoping to provide workers with convenient child care options, Bright Horizons Family Solutions Inc. has opened many child care centers inside industrial parks.

It is a niche that has given the East Coast-based company experience with chemical evacuation plans, including at its New Berlin Child Care Center.

Child evacuation practiced

The center on S. 166th St. is in an industrial park with Bodycote Thermal Processing, a company that works with ammonia, nitrogen and hydroxide. If an accident happened at Bodycote and an evacuation was necessary, the child care center would be within the one-mile vulnerability zone.

Bright Horizons spokeswoman Ilene Hoffer said her staff practices evacuation procedures monthly. The company also does extensive research on a site before opening a new center.

The New Berlin center opened in 1992 and serves 160 children from newborn to age 6.

Hoffer said she is confident in the process Waukesha County uses to monitor hazardous chemicals and protect residents.

"We feel like they have been very proactive in working with us," she said. "They are very aware of our presence."

Other neighbors of industrial operations offer varied reactions to having chemicals in their midst.

Joan Hojnacki, director of Blessed Savior Lutheran Preschool in New Berlin, said the county should notify schools, nursing homes and other facilities that are cited in a company's vulnerability zone.

Located on Cleveland Ave., Blessed Savior is also listed as part of the Bodycote evacuation area.

Hojnacki said her school has a tough security protocol and has evacuation procedures to get its 120 children to safety during any number of potential emergencies. But she cannot see driving the neighborhood trying to figure out if any surrounding factories pose a danger.

"I can't worry to the point of 'What are we going to do?' unless I have more information," she said. "I feel like I'm too far in the dark."

More than 100 chemicals

In Menomonee Falls, another Bobolink Ave. neighbor, James Andreshak, said he would not be concerned about the large chemical operation unless state or local regulators found a problem.

Andreshak has lived in the same neighborhood as Geib for nearly 40 years, but he knows little about the chemical plant.

He said that if there were problems, he would want to know about them.

The operation on Bobolink Ave. belongs to Brenntag Great Lakes LLC, perhaps the largest chemical facility in the county, at least in terms of the number of chemicals on site.

Brenntag, a division of a German company, distributes chemicals and chemical blends to customers for a variety of uses in manufacturing, pharmaceuticals, food processing and other industries.

The company's disclosure to the county lists more than 100 different chemicals on site, including 22,000 pounds of sulfuric acid and 15,000 pounds of hydrochloric acid. Like many companies, its greatest risk is listed as a spill or forklift puncture.

The vulnerability zone surrounding the 5-acre plant extends nearly a mile.

President Jim Holcomb said the company takes seriously its obligations under the county disclosure requirement.

He said it goes hand in hand with Brenntag's own safety rules and procedures.

"It's intense, but it should be intense," he said of the regulation. "We want people to understand what we have going." Other companies also welcome the regulation.

'Good business management'

Quad/Graphics spokeswoman Claire Ho said the printing company sees reporting hazardous chemicals to local fire departments as a logical strategy to protect employees and neighbors in the event of a tragedy.

"It's good business management," she said.

Terry Heidmann, utility superintendent for the Town of Brookfield, said he does not object to disclosing that he keeps 600 pounds of chlorine on hand to treat water pumped out of the ground for use by residents. Heidmann said heightened fear of terrorism makes it important for local authorities to know where hazardous materials are stored.

"In this day and age, obviously you've got to kind of keep track of this stuff," he said.

Holcomb said the threat of terrorism makes him nervous about publicizing the vast repository of chemicals on Brenntag property. But he said that concern is far less than wanting to protect his employees and the general public.

"We consider it our highest obligation," he said. "At the end of the day, it is the only thing that matters - that we operate safely."

For INFORMATION

For information about a chemical facility in your community or neighborhood, contact the Waukesha County Department of Emergency Management at (262) 548-7580.

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LOAD-DATE: September 13, 2005



The brand loyalty life cycle: Implications for marketers Journal of Brand Management April 1, 2005

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Journal of Brand Management

April 1, 2005

SECTION: Vol. 12, No. 4; Pg. 250; ISSN: 1350-231X

ACC-NO: 828950441

LENGTH: 6970 words

HEADLINE: The brand loyalty life cycle: Implications for marketers

BYLINE: Bennett, Rebekah; Rundle-Thiele, Sharyn

BODY:

ABSTRACT

Name brands remain fundamental to consumer life in the Western world. Consumers may not be as loyal to one brand as were their ancestors, but they are loyal to brands. This paper proposes a brand loyalty life cycle and draws implications for marketers. The brand loyalty life cycle is thought to comprise five eras of brand loyalty: (1) the birth of brand loyalty, (2) the golden era of brand loyalty, (3) latent brand loyalty, (4) the birth of multibrand loyalty, and (5) the final era of declining loyalty. This paper suggests that brand managers may need to update their understanding of the nature and role of brand loyalty. In the current era, marketers must offer differentiated products, the brand meaning of which resonates with consumers, to achieve brand loyalty. [PUBLICATION ABSTRACT]

FULL-TEXT

Abstract

Nome brands remain fundamental to consumer life in the Western world. Consumers may not be as loyal to one brand as were their ancestors, but they are loyal to brands. This paper proposes a brand loyalty life cycle and draws implications for marketers. The brand loyalty life cycle is thought to comprise five eras of brand loyalty: (1) the birth of brand loyalty, (2) the golden era of brand loyalty, (3) latent brand loyalty, (4) the birth of multibrand loyalty, and (5) the final era of declining loyalty. This paper suggests that brand managers may need to update their understanding of the nature and role of brand loyalty. In the current era, marketers must offer differentiated products, the brand meaning of which resonates with consumers, to achieve brand loyalty.

INTRODUCTION

The topic of brand loyalty holds great interest for market researchers, marketing managers and marketing academics. Brand loyalty is a key issue for many marketing managers, and companies spend millions of dollars each year tracking brand loyalty levels through market research organisations. Many market research companies detail brand loyalty research as a

key business area, reflecting the importance of this concept for brand management.

This interest in brand loyalty is also reflected in the academic literature, where loyalty has also been referred to as commitment1'2 and retention.3'4 Brand loyalty is a very topical issue as evidenced by hundreds of brand loyalty articles appearing in both industry and academic journals, and the level of marketing manager interest in brand loyalty topics at marketing industry conferences. Brand loyalty is a measure of the health of the organisation. A base of loyal customers allows marketers to charge a premium price5'6 and to reduce the cost of doing business through decreasing acquisition and promotion costs,7-9 thus increasing shareholder value10 and hence profitability.

Despite the large volume of research and the large amount of money spent, marketing managers are still not clear on how to build and maintain brand loyalty." This paper takes a retrospective look at brand loyalty to identify the key strategies to maintain and build brand loyalty.

This paper will commence by summarising the historical development of consumer behaviour before proposing a loyalty ycle. The loyalty cycle depicts five eras.

THE ERAS OF BRAND LOYALTY

'In order to know where you are going, you must know where you have been.' The past contains the patterns and foundations that underlie the present and direct the future. To understand the future of brand loyalty, one must therefore look to the past and identify the patterns, for 'there is nothing new under the sun'. The authors propose five distinct brand loyalty eras by extending Low and Fullerton's12 eras of brand development:

- 1. The development of national manufacturer brands, 1870-1914.
- 2. New management methods, 1915-1929.
- 3. The brand manager system is born, 1930-1945.
- 4. The era of brand managers, 1946-1994.

The five brand loyalty eras are outlined in Table 1.

In the first era of loyalty, termed the birth of brand loyalty, the level of product quality varied widely, and a brand made the product clearly identifiable.13

Table 1 shows that brands were initially introduced as a means of assisting consumers to distinguish between the varieties of products available. For instance, in the 1880s Arnott's (now owned by Campbell's Soups) commenced distributing a range of biscuits in Sydney, Australia, and in 1892 began its first major advertising campaign inviting parents to submit photographs of healthy children fed on Arnott's biscuits to demonstrate the quality of their product. The campaign 'Living Pictures' ran for more than 60 years. Consumers became more loyal to brands, because they reduced risk and effort.

During the golden era of brand loyalty, customers were 'grateful for the improved quality' brands offered14 and retailers were enthusiastic about the increased sales resulting from brands. Brand recall was high15 and many consumers were loyal to a single brand of product (possibly due to the small number of competing offerings in each product category). During this time, demand for Arnott's biscuits grew and the company opened a new, larger

bakery.16 As consumers were able to access the brands more widely, familiarity with the brands increased; so too did consumer brand loyalty. Towards the end of this era, however, consumers became cynical towards advertising, which they perceived to be 'tasteless, manipulative and deceptive; its costs were said to inflate prices'.17

The advent of the depression in 1929 and World War II left many resources reallocated to the war effort and not to manufacturer brands, which led to a scarcity of branded products. Brand scarcity meant that many consumers were either rationed or required to do without previously purchased brands. Despite the lack of availability, brand preference actually increased during this period.18 Thus latent brand loyalty was a dominant feature of this era, where consumers had high levels of brand preference, but were not able to actually buy the brand.

After the war, when brands were once more available, consumers returned to their old habits and continued to purchase their favourite brands. During this period there was an explosion in new products 20 and discount retailers emerged changing distribution with a focus on price competition for brands, with many introducing private brands. This created great concern for the manufacturer brands 21 and, combined with increasing choice and high product quality, encouraged multi-brand loyalty and variety-seeking behaviour. A common feature in many markets during this era was that customers were polygamous. That is, customers buy a number of brands, not one brand. Multi-brand loyalty emerged in the middle of the 20th century. Brown 2" first identified multi-brand loyalty in a study that presented findings suggesting that 85 per cent of families bought more than one brand on a regular basis.

Table I Brand loyalty eras

During the birth of multi-brand loyalty era, marketers realised that brand loyalty was not a personal disposition, rather it was specific to certain product categories, [tilde] with Guest noting that 'people seem to have loyalty towards some things and not toward others'.24 In Arnott's case more biscuit brands entered the market and, to successfully compete, the product quality and consistency of Arnott's branded biscuits was increased. As both product quality increased and brands became more consistent, the level of differentiation declined, and hence competing brands became more substitutable. This follows Christensen's"¬ theory of trajectories of performance/market needs. This theory demonstrates that continued refinement of product attributes (ie quality) will only provicie competitive advantage while those attributes are less than the market needs. Once market need is satisfied, the willingness of the consumer to pay for additional quality diminishes, and thus they may seek substitutes that are either lower priced or offer other benefits.

At the end of the multi-brand loyalty era the baby boomers began to influence loyalty. The baby boomers can be characterised as self-absorbed and indulgent.26 Their desire for immediate gratification meant they were willing to switch brand if the short-term benefits were no longer present. Baby boomers are more demanding of brands than any previous generation and are less loyal.27 This means that every market the cohort enters is likely to suffer from lower loyalty rates as 'boomers drag down the loyalty rates'.2X

The final brand loyalty era is the declining loyalty era, where product quality is high, differentiation is generally low, and where consumers are increasingly price-sensitive. Trout and Rivkin" estimate that there are now more than 1 million stock-keeping units in the USA, and that an average supermarket stocks 40,000 stock-keeping units. The array of brands facing customers is increasing. For example, in the 1960s a consumer chose between approximately K)O models from four car manufacturers; now there are 260 models

from 20 manufacturers.3" Today there are a plethora of brands, each claiming to outdo the other, but with many performing at a similar standard. This similarity between competing brands, the increasing array of competing brands, combined with the increased cynicism towards advertising," has resulted in consumers being both more price-sensitive and rarely loyal to a single brand. Low levels of differentiation result in brands following the patterns described by the Dirichlet model.32 In markets with little differentiation, customers can be ambivalent towards brands and, as a result, they buy different brands.

Research has shown that, today, solely loyal customers rarely make up more than 20 per cent of the total customers buying. Solely loyal eusComers are those who devote their purchases to just one brand. More importantly, research has shown that solely loyal customers buy less when compared to customers who are multibrand loyal, and the number of solely loyal customers diminishes over time.34 Today most customers include several brands in their preferred brand set.35

Figure I The loyalty life cycle

There are, however, some brands towards which consumers demonstrate intense sole-loyalty, and these brands often have brand communities. Brand communities are groups of consumers whose common theme is their usage of a particular **brand**.36 Jeep and **Harley-Davidson** are two **well-known brands** that have established **brand** communities where, in the case of Jeep, activities include jamborees and Camp Jeep. In one of the few studies that connects brand communities with brand loyalty, it was found that 'the more integrated the consumer is into the brand community, the more loyal they are in consuming the brand'37 (p. 40).

THE BRAND LOYALTY LIFE CYCLE

An examination of the eras of brand loyalty shows that the appeal of brands after their introduction in the late 1870s grew rapidly, peaking in the latent loyalty era that coincided with World War II. With increased choice and higher standards of product quality, many consumers were tempted by the available alternatives, leading to increased multi-brand loyalty.38'39 This is represented in pictorial form through a brand loyalty life cycle (see Figure 1).

INFLUENCES ON THE BRAND LIFE CYCLE

While some researchers have predicted that brand loyalty will continue to decline,40 this paper proposes that this decline can be reversed. In order to reverse the decline in brand loyalty, it is necessary to examine the causes of declining loyalty. The authors propose that brand loyalty has declined for two main reasons, these are:

- 1. Quality levels of products have risen to a standard where they no longer clearly differentiate the competing brands within the category. Consumer risk in switching brands is considerably lower today as the quality of substitute brands is no longer a concern.
- 2. Many brands still position themselves on the basis of quality and risk reduction, which does not resonate with modern consumers. Brands have different meanings for modern consumers compared with consumers of bygone eras.

The key influence on loyalty that emerges from records of the historical development of brand loyalty is differentiation. In the 1870s, there were a large variety of products that were difficult to differentiate between (for instance, butter, milk, soap powder and cereals)

within a category, and branding was introduced to assist consumers to identify the differing attributes. Thus Quaker Oats became one of the earliest consumer brands along with Heinz, Nabisco, Coca-Cola and Gillette.41

The same problem exists today that existed in the late 19th century. That is, finding a product to meet consumer needs on a consistent basis with minimal effort. Today's consumers, however, are not as innocent - they are more cynical and demanding,42 and less trustful of advertising. Today, by virtue of high product quality, consumers are faced - with a variety of brands that are difficult to distinguish. Once consumers can distinguish between brands, there is an increased likelihood that brand loyalty levels will also increase.43'44

Brands that focus on the attributes of the product risk not developing meaningful differentiation from their competitors, which may have attributes that appear similar to consumers. Brands that convey meaning beyond the tangible product allow the consumer to express their identity and thus provide experiential and symbolic benefits beyond functional benefits.45 Thus, in the modern era, brands can be used as a symbol that communicates the aspirations, values and goals of their owner.46 Brand loyalty then is likely to be the result of a consumer connecting at an emotional or symbolic level, in addition to the functional level.

The authors therefore propose two key factors that influence the brand loyalty life cycle, namely differentiation and brand meaning. A focus on

these factors provides marketers with the base from whch to increase brand loyalty.

Differentiation

In the absence of differentiation, most competing brands appeal to the customers of all other brands. Differentiation is likely to be the key driver of brand loyalty. Without (meaningful) differentiation, brand loyalty is destined to languish at the bottom of the loyalty life cycle.

The concept of differentiation originated in economics, where it is usually referred to as product differentiation. Differentiation occurs when a business delivers and, more importantly, is perceived by the customers to deliver a product or service superior to that of competitors with respect to its intended purpose.48 Differentiation can be formed on the basis of a myriad of factors including product quality, product features or attributes, innovation, a low cost base, service, distribution and a strong brand name, to name a few. Perceived differentiation is what marketers are trying to achieve to increase brand loyalty. The key to good marketing is to create brands that are perceived to have no substitutes.

A differentiated product that contains a bundle of attributes preferred by the customer has, in effect, made the customer less sensitive to the pricing, promotional techniques or the product of its competing suppliers. Making consumers less sensitive to particular competing product attributes would enable a firm to build brand loyalty.

An increase in perceived differentiation has important implications for marketing practitioners for a number of reasons. First, marketers with a base of loyal customers may introduce activities including increasing price, reducing service or reducing advertising.49 secondly, they might allow a brand or product to maintain a price premium, or gain more effect from less advertising, and so on. The consequence of an increase in perceived differentiation leading to higher levels of loyalty is that competitors have to offer more

(work harder) in order to win/steal custom.

Much marketing activity is defensive in nature, in that it is not intended to win large increases in market share, but to preserve current market share. For example, few marketers of established brands expect share gains from their advertising, but they do expect share losses should they withdraw their advertising support for the brand. Such a situation unfortunately presents great opportunity to overspend. Again, where marketers can build perceived differentiation and hence loyalty, their competitors will have to offer more (work harder) in order to win/steal custom. That is, competitors will be forced to surrender value.

Increases in brand loyalty resulting from improved perceived differentiation must logically result in lower rates of customer defection. The result should be that customers stay with the brand for longer periods, improving brand loyalty and hence profitability. By 1901, Doulton tableware had differentiated itself on its quality to such a high standard that it attracted royal patronage and was granted the privilege of the title 'Royal'. While maintaining its quality attribute, the brand has developed its values to further differentiate itself on the basis of design and style features, allowing Royal Doulton to build a traditional British identity for the Royal Doulton brand.

Brand meaning

Brand identity is the total proposition that a company makes to consumers -the promise it makes.3" It may consist of features and attributes, benefits, performance, quality, experience, service support and the values that the brand possesses. The brand can be viewed as a product, a personality, an experience, a set of values and a position it occupies in people's minds."""1

In the early era of branding, brand identity was the proposition of reliability and functionality. Early slogans such as Pears soap 'for beauty and economy', Quaker Oats 'Quaker Oats - the health builder' and Kodak's 'Kodak stands for all that is best in photography' are examples of this. Christensen¬" proposes an evolutionary process of innovation, which suggests that successful products differentiate on different bases over time. On introduction, brands compete and are compared on their functionality. Brands were initially designed to communicate consistency in quality.53

Over time, differentiation on the basis of functionality becomes meaningless as all competing products function beyond the market's requirements. Christensen54 suggests that when functionality surpasses market needs, the basis of competition, or the attributes that provided a meaningful advantage over competitors, tend to shift to reliability followed by convenience. For example, in the 1940s and 1950s the reliability of brands was emphasised in food marketing. When the reliability of competing food brands became assured, convenience was emphasised with the introduction of frozen and microwavable foods.

The final basis for competition identified by Christensen55 is price. The manufacturers of food products are now experiencing severe price competition because reliability and convenience are no longer criteria that many consumers can use to choose among competing offerings.

Christensen's 56 evolutionary cycle appears, however, to make the fundamental assumption that the product never moves beyond a product-attribute appeal to consumers. So, for brands that continue to focus on product attributes as the basis for their brand meaning, the

Christensen cycle is a likely occurrence, with brand switching and multi-brand loyalty being likely outcomes.

There are, however, brands that transcend functional appeal and achieve higher levels of brand loyalty. Brands such as Jeep and Harley-Davidson have high levels of brand loyalty and associated behaviours such as word of mouth and advocacy for the brand.57 These brands offer symbolic and emotional meaning that enables consumers to communicate their goals, aspirations, personal attributes and social patterns58 - 'when symbolisms are used effectively, they can transform brands into successful and profitable icons'59 (p. 211). Brand marketers in mature competitive markets should not focus on attributes, nor should they allow an emphasis on price. Brand marketers need to connect at a higher level with customers. A brand can offer an emotional 60 or a symbolic connection. 61 People fall in love with brands; they trust them, develop strong loyalties, buy them and believe in their superiority.62 The brand is shorthand; it should stand for something and it should demonstrate it every day. Brands need to offer more than quality, reliability or convenience to differentiate in the market and resonate with modern consumers. The brands that have achieved higher levels of loyalty than their competitors are those that have established a clear brand identity. That is, they have differentiated on the basis of brand meaning. Toyota has core brand values of quality, dependability and reliability. The company also has brand values that transcend these attributes: innovation and inspiration.63 It is the combination of the core attributes and the higher-level values that positions Toyota so strongly in the global marketplace. The core values alone are unlikely to provide sufficient differentiation from other motor vehicle brands to stimulate consumer brand loyalty.

The key to managing brand identity is evolution, not revolution.64 Marketers are often tempted to radically change brands and products, which is a highly visible activity. Totally changing the brand visuals can give rise to consumer concerns about changes of ownership, or possible changes in brand values, or even unjustified extravagance.65 If there is a strong brand personality to which consumers are attracted, then substantial changes may destroy emotional attachments to the brand. People do not expect or like wild swings in the personality behaviour of other people, and they are just as concerned when the brands to which they have grown used exhibit similar inconsistency.66 Brand identity has been maintained by Time magazine, the activities of which have included updating its font and printing capabilities to maintain a modern look, while the layout of the front page and colours have remained unchanged.

IMPLICATIONS FOR MARKETERS

Marketers must understand what brand loyalty is, bearing in mind that brand loyalty will be different for each brand managed.67 Research suggests that customers can demonstrate brand loyalty in a variety of ways.68-71 For example, customers can demonstrate loyalty by purchasing,72 by being willing to recommend,73-78 and by providing advice to the company,79 and finally, customers could demonstrate brand loyalty through an intention to repurchase.80,81

Marketers need to continue to conduct qualitative research to understand in what ways customers are or could be loyal in their industry. It will not be adequate just to ask customers how they define themselves as being loyal. Rather qualitative research needs to ask customers how and why they are or are not loyal to the brand of interest. This line of questioning will assist marketers to both identify the loyal quality or states that are relevant in their industry, and to identify the drivers of the loyal qualities and states identified.

Research suggests that 'brand loyalty is more stable for market leaders than for others'.82

The custodians of marketleading brands are in a fortunate position, and they will have high levels of perceived differentiation with some brands - for example, Esky, Hoover and Band-Aid - owning the product category. Custodians of market-leading brands will need to continue to monitor perceived differentiation and adjust marketing programmes where required to maintain and improve customer perceptions involving unique brand attributes.

Marketers of brands that do not have market leadership status are presented with one challenge, and that is to differentiate. Differentiation requires innovation. Consider The Body Shop. The Body Shop brand was launched in 1976 in England with a fundamentally different concept built around social responsibility.83 This distinction captured the heart and wallets of consumers around the world.

Many of the most successful innovations have resulted from technological breakthroughs. The jet engine, Teflon cookware and nylon are all examples of innovations that resulted from research and development and spurred growth industries. Marketers must implement programmes to encourage ongoing innovation, such as the ongoing implementation of research and developnient programmes and programmes that develop an innovative organisational culture. An innovative organisation can gain a sustainable competitive advantage.84

Most innovations occurring in the marketplace are incremental. Incremental innovations include new flavours, pack sizes and alternatives in established product categories. While incremental product changes are less risky from the brand manager's viewpoint, they are also far less memorable for customers as the products are only minimally different from the competition. Marketers must remember that, in the average supermarket shopping trip, customers will select 150 stock-keeping units from a possible 40,000 units.85 In the case of cordial, brand managers must ask themselves whether customers really want 30 different cordial flavours? Marketers must seek to be maximally different from competitors, and this requires more radical innovation. Brand managers must take risks. One successful launch involving a maximum difference will be very profitable and far more memorable for customers. To achieve differentiation, marketers must take risks and introduce products that are both different from the competition and meaningful to customers.86 For example, to achieve differentiation and hence loyalty,87,88 some marketers are focusing on creating experiences for customers.89 Experience is a very useful basis for differentiation that is likely to be difficult to copy.90

Organisations seeking to improve brand loyalty should first identify the level at which their brand is successfully operating (functional, emotional or symbolic), and then develop marketing programmes designed to resonate with the consumer at that level in a way that differentiates the brand from the competition. The ultimate goal for a brand manager would be a brand community, where consumers affiliate with other consumers around a brand.91

The loyalty levels associated with members of brand communities are very high. Consumers who are members of brand communities tend to purchase a single brand, engage in positive word of mouth, and act as advocates for the brand - they can be considered a virtual sales force. Achieving this type of loyalty would require the brand to have high levels of personal relevance to the brand community through emotional and symbolic meaning. When a brand resonates with its consumers then it creates loyalty, attachment, community and engagement.92

As previously stated, market leaders in the consumer goods arena are in the enviable position of having brand loyalty levels that remain relatively stable over time. For existing leaders then, brand loyalty levels can be maintained through consistency over time, keeping

those aspects of the brand which have meaning over time to consumers, while changing and updating the attributes that no longer have meaning. Crown Lager has only changed its label four times in its 50-year history;94 however, the label design was recognisable for all four variants with minor changes. Its core value is the linkage of the product with moments of celebration, which is appropriate given that it was originally launched in Australia to commemorate the coronation of Queen Elizabeth II.

There is, however, a tension between maintaining consistency over time and making changes through innovation. The Body Shop has maintained its ethical stance consistently over time with a focus on environmental, animal testing and social inclusion issues. The very factor (social conscience) that made The Body Shop different has, however, been adopted by competitors such as Red Earth and private labels from major UK retailers such as Sainsbury's and Superdrug.95 This has led to some dilution of its competitive advantage as many of the major players in the industry have natural-based and organic products in their range. Sales have been flat for The Body Shop for some time, and a recent report recommends that a more innovative approach needs to be taken in regard to the products offered if the company is to improve its sales.

The challenge to differentiate and develop a brand meaning that resonates with consumers is more difficult for new brands. New brands, however, have the benefit of not needing to change an existing positioning -rather they only need to develop a new one. The key for new brands is to adopt a positioning strategy that clearly demonstrates a point of difference. Brands that do not take risks and stand out from the others are doomed for mediocrity (and the low levels of brand loyalty that accompany this). In the early stage of the product life cycle, brands usually position themselves on the basis of attributes (the factors that make this brand different from the available products).

Gillette is an example of a brand that has evolved from a focus on quality to a focus on higher-level meaning. It achieved this initially through focusing on the new attributes of safety and ease of use. Over time, as competitors entered the market and the quality standards of shaving equipment were achieved by most players, Gillette adapted its positioning to one based on user image - 'to make men and women look and feel their very best'96 (p. 57). Gillette currently has a 70 per cent value share of the male and 60 per cent share of the female market.

Quality was an important benefit offered by early brands, and it was the quality standards that advanced the success of these brands. It is not enough, however, to simply rely on the attributes that were successful in the past, nor can marketers simply copy their competitors. On this basis one has to question the decision by Royal Doulton to relocate its manufacturing base to Jakarta, Indonesia. The brand values of Royal Doulton are based not just on its quality offering but also on its link to British heritage. Removing the 'Made in England' tag on the back of the china may cause substantial brand damage in the future as consumers become aware of the change.

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Received (in revised form): I lth January, 2005

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GRAPHIC: Tables; Graphs; References

LOAD-DATE: July 30, 2005

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COMING SOON: MORE OPTIONS FOR SHOPPING, EATING Wisconsin State Journal (Madison, Wisconsin) April 1, 2005 Friday

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April 1, 2005 Friday
ALL EDITION

SECTION: CAPITAL REGION BUSINESS JOURNAL; Pg. 18

LENGTH: 692 words

HEADLINE: COMING SOON: MORE OPTIONS FOR SHOPPING, EATING

BYLINE: By Marv Balousek Wisconsin State Journal

BODY:

Airport retailing has its challenges. Store employees must go through security checkpoints and sometimes have to park in remote lots. Stocking an airport store often requires a security escort.

But the payoff can be substantial because airport stores and restaurants cater to a captive market of airline ticket holders who've gone past the security checkpoint and are waiting for sometimes-delayed flights.

"Passenger dwell time at the gate is much longer," said Dane County airport director Brad Livingston. "The casual effect is that the passengers have more discretionary time while waiting at the gate. In turn, the business model has changed, and it is now necessary to provide all passenger comforts in abundance at or beyond the security checkpoint or near gate locations."

The Dane County Regional Airport hopes to capitalize on the trend by opening 12 new stores and restaurants over the next year. The contracts with The Paradies Shops for retail and with Creative Host Services, a subsidiary of the Compass Group, for food and beverages could mean \$6 million in revenue for the county over the next decade.

News and specialty retail sales at the best dozen performing airports ranged from \$7.08 per passenger in Miami to \$8.63 per passenger in Pittsburgh, according to 2003 data from Airport Revenue News. If the Dane County airport's dozen stores and restaurants can generate about \$7 in sales per passenger, that means the annual sales potential at the Dane County airport is roughly \$10.5 million, based on annual passenger traffic of about 1.5 million.

The only bidders for the Madison airport's retail and restaurant expansion were already familiar faces. Creative Host Services operates the current airport restaurant, and The Paradies Shops now runs the store.

Creative Host Services manages 140 food courts at 30 airports nationwide. The company co-brands with companies such as Schlotzsky's Deli, Quizno's or TCBY Enterprises. The

company was acquired nearly a year ago by the Compass Group USA, which started in England and is the largest food service company worldwide. In Madison, the company is partnering with Great Dane Brewery and Ancora Coffee Roasters as well as larger firms such as Quizno's and Pizzeria Uno.

"We encouraged partnering with local companies," Livingston said. "We're still looking at providing more local. This is a good start."

The Paradies Shops, a national company that opened its first store 45 years ago at the Atlanta airport, now operates more than 400 stores and 61 airports and reported 2004 sales of \$310 million. Besides Dane County, The Paradies Shops, which has about 2,000 employees nationwide, also operates stores at Milwaukee's Mitchell Field and Minneapolis-St. Paul International Airport.

The success of The Paradies Shops comes partly from pairing stores with **well-known brands** like **Harley-Davidson** and Brooks Brothers. Other airport retailers have partnered with companies like Borders, Eddie Bauer, Brookstone, Gap and Sharper Image.

In Madison, the company plans two CNBC News stores, which offer books, videos and consumer goods; a Lake Country Travel Mart with an assortment of newspapers, magazines and traveler convenience items; and Wisconsin Marketplace, which will focus on items unique to the state.

The Paradies Shops also has contracted with Paradies Madtown, a company formed by Ray Allen, former Madison School Board member, and Steve Braunginn, former director of the Madison Urban League. Allen said Paradies Madtown will help manage the airport retail operation and help provide local products. The new company also will work on staff and recruitment issues and set goals for minority hiring.

The Paradies focus on hiring minority employees isn't unique to Dane County. The company won an award from the Airport Minority Advisory Council for its progressive disadvantaged business enterprise partnerships in other markets like Phoenix and Kansas City.

"This is a positive step forward for our community," Allen said of the contract with the Paradies Shops. "It's combining a business opportunity with good civic commitment. We want to use it as a model to take throughout Dane County."

NOTES: Marv Balousek is Wisconsin State Journal reporter. He can be reached at mbalousek@madison.com or 252-6135.

GRAPHIC: Leah L. Jones The Madison airport's expansion project will mean the its food and beverage service area will grow from about 4,000 square feet to about 8,000 to 9,000 square feet, while the amount of retail space will increase from about 2,000 square feet to 5,000 square feet.

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Brothers acquire Harley-Davidson franchise Waterloo Courier, Iowa February 20, 2005, Sunday

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February 20, 2005, Sunday

KR-ACC-NO: OO-HARLEY-FRANCHISE-20050220

LENGTH: 720 words

HEADLINE: Brothers acquire Harley-Davidson franchise

BYLINE: By Charles Emerick

BODY:

WATERLOO --- Anthony Lumetta ascends the two flights of stairs at Silver Eagle Harley-Davidson/Buell. At the top, he heads for a short hallway that leads to a closed door.

Sporting a black Harley-Davidson sweatshirt, Lumetta checks on the weather. Outside, the sun is shining, melting snow that had fallen just days earlier --- less than one week after an unseasonably warm 60-degree day.

"I saw a few people out riding that day," he recalls.

Lumetta enters a large office, nearly empty with the exception of a desk and three chairs. He takes a seat in the black, leather throne behind the desk and waits for his brother, Vince, whom Anthony goes in search of a short time later.

Dressing up the office is low on their list of priorities. There are more important matters for the Lumettas.

On Jan. 31, the brothers finalized a deal to acquire ownership of the former Harley-Davidson/Buell Cycle Center. The following day, they reopened the business, which closed for a short time during negotiations, and gave it a new name.

"We've always had an interest in motorcycles, in general," Anthony says.

"A Harley-Davidson franchise is what we've always wanted. We've been looking for a while."

Originally from Detroit, the Lumettas moved to the Northeast Iowa town of Denver as teenagers. The move to rural Iowa proved a culture shock for the boys.

"My high school class had more than 1,000 kids," Vince said. Denver's entire school system enrolled fewer than 800 students.

Shortly after moving in 1977, their father, Mat, started United Beverage, a distributor of Miller beer products. Anthony and Vince acquired the business when Mat retired in 1987.

For the last five years, though, they've searched the country for a Harley-Davidson dealership to add to their business portfolio.

Rarely do the dealerships change hands, and when they do they often stay in the family. Such was the case of one Florida shop. The Lumettas came close to acquiring it but lost out on when the owner handed it over to an in-law.

Anthony and Vince called a number of others in the country, but found few on the market. Most owners felt the Lumettas didn't have "retail experience" and were hesitant to sell.

During their search, the two kept in contact with Elaine Bruns, the owner of the Sergeant Road Harley-Davidson store. Bruns, a former home economics teacher at Hoover Intermediate School, and her husband, Marvin, who passed away in 1987, opened the dealership in 1976.

"Last summer we approached her and there was an interest in selling," Vince said.

Florida would have been nice, but the short drive across town from West Airline Highway to Sergeant Road proved more convenient for the brothers.

Now the Lumettas have two **well-known brands** in Miller and **Harley-Davidson** under one umbrella. Vince will remain president of United Beverage, and Anthony will take over at Silver Eagle Harley-Davidson/Buell. But each will "dabble" in both businesses.

"There are a lot of successful things going here," Anthony said. "We'll do some more marketing and bring in a larger variety of clothes. We're also going to make some improvements in the service area."

"There is nothing to radically change," Vince added. "The staff here is very good and well-liked by the customers. I think visually, that's where we're trying to make changes."

The most significant changes thus far are the new name and logo that already appear throughout the store.

As the sun continues to shine through the west-facing windows in the second floor office, it is just a matter of weeks before the weather allows them to ride again.

Neither Anthony nor Vince have taken a ride on a motorcycle since they were younger. They rode dirt bikes around their Denver acreage as teenagers.

Now they can pick from a showroom filled with new models like the 2006 VRSCR Street Rod, the 15th Anniversary Edition 2005 Fat Boy and the 2005 Sportster 833R.

"We'll have bikes this spring," Anthony says. "But the thing is, when you find one bike you like, another comes in that you have to ride."

"There are so many different types," Vince adds. "It just kind of depends on how you like to ride."

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LUSTA DESVI LIVY DESVI COULD WILL

BY BRYAN BURSOUGH DAVID ROSE NED ZEMAN AND DAVID WISE

AMERICA'S BEEF IS ROTTEN AND WASHINGTON COULDN'T CARE LESS

BY FAST FOOD NATION AUTHOR ERIC SCHLOSSER

DOMINICK DUNNE, MICHAEL WOLFF, AND CHRISTOPHER

HITCHENS

"This world is a comedy to those that think, a tragedy to those that feel."

JOHNY

JOHNNY DEPP, THAT IS. FROM PIRATES TO PETER PAN.
FROM THE VIPER ROOM TO THE CHOCOLATE FACTORY.
FROM 21 JUMP STREET TO 21ST-CENTURY STAR

BY STEVEN DALY • PHOTOS BY MARK SELIGER

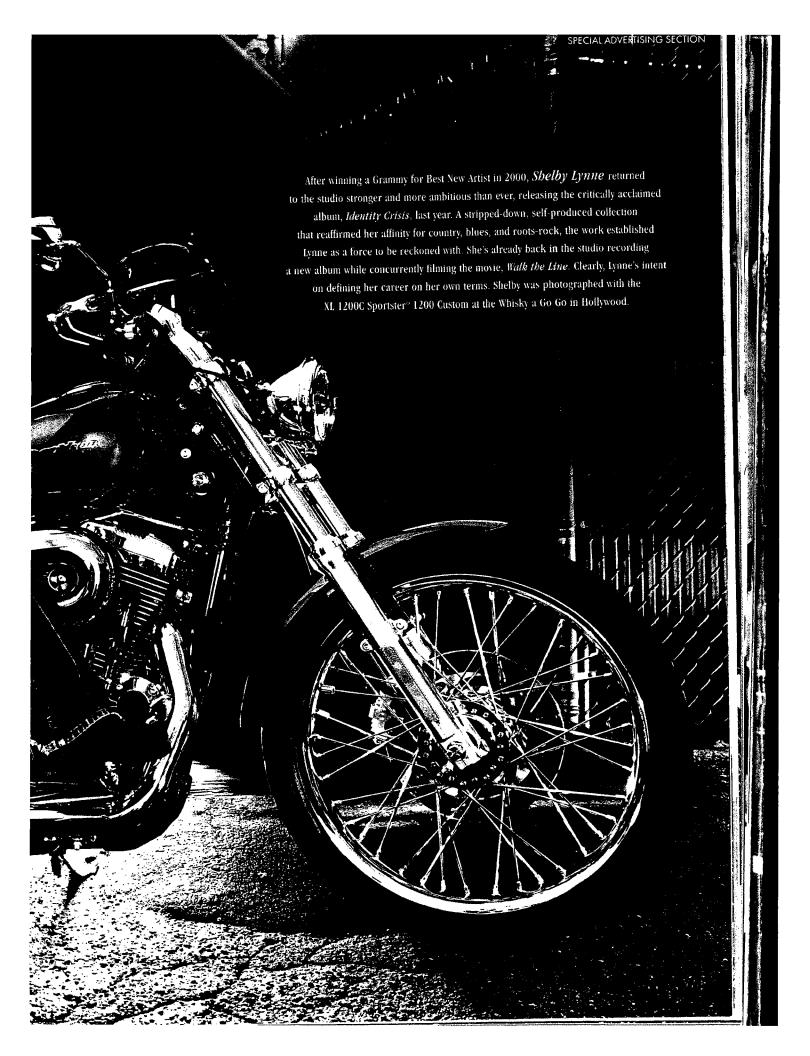
NOVEMBER 2004/\$4.50

MAYBE THE FABRIC OF SOCIETY NEEDS MORE LEATHER AND LESS POLYESTER.

Harley-Davidson is proud to salute women who rock the mainstream.

Rock trailblazer Melissa Etheridge made a name for herself in the '80s by combining fearless, straightforward lyrics with a movingly gritty voice that stands alone in the world of female artists. Nearly two decades later, the two-time Grammy winner is still shaking things up with her incomparable shoot-from-the-hip style.

The indomitable Etheridge released her eighth studio album, Lucky-sto critical acclaim this past February, Lucky Lire, a no-holds-barred DVD with footage from her extraordinary 2004 tour was released this fall. Melissa was photographed with the Softail. Springer: Classic motorcycle at The Viper Room on Sunset Boulevard.



SPECIAL ADVERTISING SECTION WE'RE ALL CREATED EQUAL. AFTER THAT IT'S MINOR



THIS COUNTRY WASN'T FOUNDED ON THE DECLARATION OF BLENDING IN.

With her smooth, earthy voice, Angle Stone has a gift for bridging the gap between classic soul and hip-hop influences, carving out retro-'70s R&B with a thoroughly modern sound. Her latest album, Stone Love, is smart, sensual, and hot as a blacktop roof during a summer heat wave. Spirited, triumphant, and utterly intrepid, there's no doubt that Stone is the reigning queen of neo-soul. Angle was photographed with the Sofiail' Deluxe motorcycle at the

Halfway House Café in Southern California.

HARLEY-Motor

HARLEY-DAVIDSON Harley-Davidson invi

 $Harley-Davidson\ invites\ you\ to\ challenge\ the\ status\ quo.\ To\ find\ out\ more,\ visit\ www.barley-davidson.com/womenrock.$

Mark: CHRIST

BRIEFLY: COLUMBIA HELICOPTERS WILL FERRY NATIONAL TREE The Oregonian October 28, 2004 Thursday

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October 28, 2004 Thursday SUNRISE EDITION

SECTION: SOUTH ZONER; Pg. D02

LENGTH: 232 words

HEADLINE: BRIEFLY: COLUMBIA HELICOPTERS WILL FERRY NATIONAL TREE

DATELINE: AURORA

BODY:

Columbia Helicopters will help deliver a 65-foot red spruce for this year's Christmas tree at the U.S. Capitol in Washington, D.C.

A Columbia crew flying a Boeing Vertol 107-II will lift the cut tree on Nov. 4 from George Washington-Jefferson National Forest in Virginia about 12 miles to the Highland County fairgrounds for trucking to the Capitol. The tree will weigh 6,000 to 9,000 pounds, according to Dan Sweet, a Columbia spokesman.

The helicopter, which can lift as much as 11,000 pounds, will travel at 20 to 25 mph to avoid damaging the tree. This will be the second time Aurora-based Columbia has participated in delivering the Capitol's holiday tree. The company lifted one from a North Carolina forest in 1998.

Harley-Davidson raffle still has tickets to sell

GLADSTONE -- Fewer than 300 raffle tickets remain for a \$20,000 Harley-Davidson Fat Boy motorcycle.

Law enforcement officers from more than a dozen agencies are selling the \$20 tickets to raise money for Special Olympics Oregon. The drawing will be at 4 p.m. Friday at Latus Motors, 870 E. Berkeley St. Tickets can be purchased through Friday morning at Latus Motors and Les Schwab in West Linn.

"Harley-Davidson is probably the most **popular** motorcycle in the world today," West Linn Police Chief John Ellison said. "Being able to sell a \$20 ticket on a Kawasaki wouldn't be as profitable."

LOAD-DATE: October 29, 2004 SAN FRANCISCO; 90 years and counting for Harley dealer



The San Francisco Chronicle OCTOBER 9, 2004, SATURDAY,

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The San Francisco Chronicle

OCTOBER 9, 2004, SATURDAY, FINAL EDITION

SECTION: BAY AREA; Pg. B6

LENGTH: 1199 words

HEADLINE: SAN FRANCISCO;

90 years and counting for Harley dealer

SOURCE: Chronicle Staff Writer

BYLINE: Julian Guthrie

BODY:

It is one of the oldest businesses in San Francisco, opened when Sunny Jim Rolph was mayor and the Model T was hitting the city's hilly streets.

The company has persevered through world wars, the Great Depression, various recessions and the dot-com boom and bust.

This weekend, the Dudley Perkins Co., one of the oldest Harley-Davidson dealerships in the country, will celebrate its 90th anniversary with a street party, antique bike show and ride from San Francisco to Treasure Island.

The party will commemorate a family that has defied the odds and kept a business running through three generations and pay tribute to an American legend: the Harley Davidson motorcycle.

The company was founded in 1914 by namesake Dudley Perkins, a legendary hill racer. It's now run by Tom Perkins, the founder's 47-year-old grandson, who took time from party planning late this week to talk about the challenges of operating a business in San Francisco, to remember his colorful grandpa and to marvel over the evolution of the beloved hike

Tom Perkins owns two Harleys, a 2003 Fat Boy and a 1982 Shovel Head that he calls "my baby."

"In the end, your best asset is your reputation," Perkins said, sitting in his office filled with Harley memorabilia and family photos. His golden retriever Winston napped nearby.

His wife, Janet Perkins, the company's general manager, said marrying into the Perkins family was stepping into the city's rich history.

"I started dating Tom when I was 15," Janet Perkins said. "My dad was thrilled because he was a motorcycle rider. He said, do you know who Tom's grandfather is?"

Tom Perkins smiles as he recalls his grandfather.

"He lived for motorcycling," Perkins said.

"My grandmother tolerated him," Perkins said chuckling. "I remember as a kid we'd go to the racetrack with him, and he'd hand out stopwatches to us. I remember feeling I'd better get my time right."

The market for motorcycles was thriving when Dudley Perkins opened his shop at 1926 Market St. It was a time when an estimated 100 companies nationwide were manufacturing motorcycles. Although the assembly of the first Ford Model T in 1908 eventually cut into motorcycle sales, the **Harley Davidson** would grow in **popularity** after the company was founded in 1903.

"At the turn of the century, motorcycles were the affordable mode of transportation," Perkins said. His grandfather ran the business during the week and competed in rides on the weekends. He held the West Coast hill climbing competition title for 10 years.

The company hit hard times in 1930, selling only 15 bikes in the first year of the Great Depression. But in the mid 1930s, the California Highway Patrol purchased 225 Harleys from Dudley Perkins, starting a tradition that would last for nearly 50 years. World War II posed different challenges, as production shifted gears to meet the demands of war.

At the end of the war, the Perkins firm purchased surplus Army motorcycles and parts in Texas and Louisiana. The goods filled five train cars and marked the beginning of a record year for sales at Dudley Perkins. He bought the surplus bikes for \$125 and sold them for \$325 each.

Tom Perkins' father, Dudley Perkins Jr., took over day-to-day operations of the dealership in 1968. Tom Perkins took the helm in 1990. Dudley Sr. died in 1976 at age 83 and Dudley Jr. died in 1997 at age 73.

Today, the company sells around 450 bikes a year, ranging in price from \$9,000 for the Sportster to \$21,000 for a touring bike. Custom designs can add tens of thousands of dollars to the price tag.

The bike itself has changed, but not radically. The original single-cylinder engine was replaced by a V-twin engine in 1909. Other engines that followed include the Shovel Head and the acclaimed Evolution Engine, known as the first Harley engine to be truly dependable and free of the leaking problems that plagued earlier ones.

Perkins, as clean cut as a soccer dad and without a single tattoo, says that about 60 percent of his clients are white-collar workers, while 40 percent are blue-collar. The outlaw element popularized by movies such as "The Wild One" and perpetuated by groups including the Hells Angels exists but represents a small proportion of motorcycle enthusiasts, Perkins said. More than 90 percent of Harley owners are men.

"That's starting to change," Perkins noted. "Women are saying, 'Hey, I don't want to be a passenger.' "

Janet Perkins says being a woman in a male-dominated business has its advantages and challenges.

"The hardest challenge for me is not knowing the mechanics of the bike itself," she said. "The most beneficial thing is that I'm a mom. My parenting skills are very similar to employer-employee skills."

"Some of the very old-time mechanics or customers don't have a lot of patience for what Harley has evolved into," she continued. "Some are not happy with women having a place in their world. But they're very few and far between."

Dudley Perkins now includes the Page Street service center, the South Van Ness Avenue showroom and a gift shop at Fisherman's Wharf. The couple's son Christopher, 24, works in the service center. Daughter Nicole, 21, is wavering on the idea of working for the family company.

As Tom Perkins talks, the phone rings constantly.

Getting the necessary permits for the 90th anniversary party took several months and required visits to the city's entertainment commission, the departments of Public Health and Transportation, the Fire Department and two different police stations. In addition, Perkins had to hire a private firm to clean the nearby streets and parking lots, favored by the homeless and overlooked, he says, by the city.

"It's gotten more complicated and more expensive to do business in this city," Perkins said. "But this is where we are. This is our history."

He adds, "For me, the challenge of running this company is all about growth and instilling family values and family ethics. It's a continuum. It's a continual fine-tuning process."

Still roaring

The 90th anniversary celebration for the Dudley Perkins Co. takes place this weekend.

Today's events include a street fair beginning at 10 a.m. in front of the Dudley Perkins service center at 66 Page St. There will be food, beverages and live music by the Delta Wires. An antique motorcycle show and awards ceremony will be held.

Also today, the showroom at 123-31 South Van Ness Ave. will host an open house from 10 a.m. to 5 p.m., featuring new Harley-Davidson models and demo rides. A silent auction will benefit the San Francisco Police Activities League.

Sunday marks the 16th annual "Streets of San Francisco" Poker Run, barbecue and custom bike show. In past years, the ride has attracted more than 1,000 Harley-Davidson aficionados. This year's route ends at Treasure Island and features music by the Circuit Breakers, as well as a barbecue lunch. It will go from 9 a.m. to 4 p.m. and starts with registration at 123 South Van Ness Ave.

More information on times and events is online at www.dpchd.com.E-mail Julian Guthrie at jquthrie@sfchronicle.com.

GRAPHIC: PHOTO (2), (1) Tom Perkins is the latest proprietor in a long line of Perkinses, dating back to Dudley Perkins (in poster), his grandfather., (2) The showroom at Dudley

Perkins, the oldest Harley-Davidson dealership in the country, has a wide selection of motorcycles. / Photos by Kurt Rogers / The Chronicle

LOAD-DATE: October 9, 2004



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Amusement Business

September 30, 2004

SECTION: PARKS & ATTRACTIONS

LENGTH: 1430 words

HEADLINE: Rivets, riveting Magical tours

SOURCE: Print

BYLINE: Juliana Koranteng

BODY:

Calling all Ben & Jerry's ice cream fanatics, chocoholics who can't get enough of the sweet brown stuff, Guinness scholars and glass fetishists.

Welcome to the brand factory tour, where international marketers realize addicts' dreams in havens designed for those hooked on their popular products.

From soft-drink giant Coca-Cola Co. to slick auto **brand** BMW to chocolate maker Hershey's to **famed** bike producer **Harley-Davidson**, **brand** producers are offering more opportunities than ever for fans to visit their manufacturing centers.

Brand factory tours and visitor centers are not necessarily autonomous profit centers for shareholders to stress over; instead, they aim to enhance the impression made on consumers. They also enable manufacturers to bypass wholesalers and retailers and reach customers directly.

Some corporations take the visitor experience more seriously than others. On one end of the scale, Germany's BMW is launching a \$122 million high-tech theme park called BMW Welt in June 2006 aimed at enthusiasts from all over the world.

"BMW Welt is the portal to the BMW brand," says Munich-based communications manager Helmut Poeschl. "Its primary function will be a personalized delivery service of new vehicles directly from the manufacturer to their owners. It'll also be a communications center."

Admission will be free, and about 850,000 visitors are expected annually to pick up an average of 170 vehicles a day. Yet it won't just be a posh car dealership; BMW Welt will be a lifestyle experience that includes a tour of how the cars are put together.

Details were unavailable, but revenue will be generated from retail outlets, restaurants, shows, conferences, art exhibitions and a 600-capacity multifunction theater for all types of

events, including concerts.

Poeschl notes that BMW Welt is opening during the same summer as the 2006 World Cup, also in Germany that year.

<head>Rivets, riveting</head>

The Ford Motor Co. also offers devotees a peek at its manufacturing process, though with fewer bells and whistles. In May, it opened the Ford Rouge Factory Tour in Dearborn, Mich., in a joint venture with The Henry Ford, a nonprofit organization that includes the Henry Ford Museum and the Henry Ford Imax Theater.

The tour aims to use information and entertainment to educate up to 1,000 visitors daily about the legendary Rouge, the world's first continuous car assembly line that made cars affordable for the average American.

The Rouge's 120 miles of moving conveyor belts comprised 15 million square feet of manufacturing space. "The No. 1 requested activity among Detroit visitors is touring an automotive plant," spokesperson Wendy Metros says. "The Ford Rouge Factory Tour allows visitors to do just that while learning the rich history of one of America's industrial icons."

Automobile aficionados can become engrossed with the Rouge's achievements via a bus tour of the huge grounds, rare historic footage of the plant in action, a 360-degree virtual reality theater illustrating the production, and a chance to see modern-day car assembly from an elevated walkway.

Metros emphasizes that the venture is a sophisticated marketing exercise, not a profit center. The proceeds from admission fees (about \$14 per adult) "are put back into the ... tour operating budget. The factory was not created to be a sales tool for the Ford Motor Co.," she says.

Germany's 5-year-old Opel Live, like BMW Welt, was created by car maker Opel AG to be a stylish delivery center that also offers a lifestyle experience.

As the world's second-largest car plant on a single site, Russelsheim-based Opel Live attracts up to 50,000 visitors a year. It includes a factory tour, conference center, the Opel Shop and an exhibition area for new vehicle launches.

There is no entry fee, but last year it started paid-for live events, such as cabaret acts, parties and theater. It is about to introduce night tours for fans who can't attend during the daytime, says sales and marketing director Marc Zavard.

"The main objective is to create a sympathetic image for the brand, and now we're fully booked for up to three months in advance," he says.

The concept of the factory tour kicked off several decades ago. The creation of mass-consumer goods triggered curiosity among the targeted audience, who made regular requests to visit factory floors.

Companies started inviting the public to manufacturing plants. But as sanitation, health and safety standards became stringent, some companies stopped the practice. Others introduced special visiting hours, created simulated versions, built museums that retold the product's life story or offered a range of different combinations.

In contemporary times, they have developed into popular, stylish attractions in their own right. If you've got a thing for Tony the Tiger, head to Kellogg's Cereal City USA in Battle Creek, Mich. It was set up in 1998 to re-enact the 80-year-old factory tour that had been closed for hygiene reasons.

Chocolate connoisseurs can find singing trolley conductors, a 3-D movie and the opportunity to create your own Hershey bars at Pennsylvania-based Chocolate World. A more sedate but equally popular version is the United Kingdom's Cadbury World.

For beer lovers, there is the Heineken Experience in the Dutch capital of Amsterdam and the Guinness Storehouse in Dublin, Ireland.

<head>Magical tours</head>

Yael Coifman, an associate director at consultancy Economic Research Associates in London, has witnessed the popularity of factory tours. "Ben & Jerry's (tour) is maxed out; they can't handle any more new tourists for a while," she says about the popular ice-cream brand launched by the eponymous two founders who use no preservatives, only natural ingredients and recycled paper.

The experiences, however, vary. Some operations, such as the Corning Museum of Glass in upstate New York, combine a limited access to the manufacturing process with other forms of entertainment.

"We don't exist to showcase current or former Corning-branded products, and we don't manufacture any products; our hot glassmaking demonstrations are just to show the art and craft of glassmaking," says CMOG communications manager Yvette Sterbenk. "However, part of our museum does overlook the factory floor of Steuben Glass, one of Corning's companies, and visitors to the museum can watch Steuben glass being made."

Some brand owners extend the factory tour to other attraction developments. The Casa Bacardi Visitor Center opened last year in Puerto Rico to complement the rum's production plant, already one of Puerto Rico's popular tourist attractions.

Legendary motorcycle-maker Harley-Davidson is planning something. "We have been offering factory tours for many decades," says Bob Klein, manager of editorial services. "The company has announced plans to build a \$95 million world-class museum development in our home town of Milwaukee." Construction begins in 2006 for a 2008 opening, with a shop, restaurant and office facilities.

The World of Coca-Cola in Atlanta welcomed its 12-millionth visitor in June. It is very much a center for Coke geeks, featuring 1,000-plus articles of memorabilia, a virtual illustration of the drink's history (without its secretive formula) and interactive soda fountains. Visitors can taste more than 40 different Coke-made beverages made worldwide.

Cynics argue that it's a hit only because Atlanta doesn't have many other attractions.

Yet instead of sitting on its laurels, the Coca-Cola Co. has decided to relaunch WOCC in a more accessible area in Atlanta's Centennial Olympic Park.

So can these brand attractions be profitable businesses in their own right?

"No way in hell are they viable on their own," ERA's Coifman says. "You have to look at them as a mixture of a learning experience and fun entertainment. They have to involve some form of teaching, and it's usually for people who were interested in the product or brand before getting there."

She continues: "But they'll never become 100% commercial attractions because there's a price point where you can annoy the customer with what seems to be one big marketing spiel."

And does a brand tour translate directly to product sales?

"We know that Guinness Storehouse creates a lot of buzz and noise around the brand. But we are currently measuring the impact Guinness Storehouse has on driving brand affinity and long-term volume," says Aine Friel, the operation's marketing manager.

"We should have some results in the next six months." o

LOAD-DATE: November 8, 2004

Mark: CHRIST

Ascential Software Previews Ascential World 2004 Events; Annual Global Data Integration Conference to Feature Executive Who Reinvented Harley-Davidson plus Data Integration Visionaries from Featured Analyst Firm Gartner, IBM and other World-Class Enterprises PR Newswire September 15, 2004 Wednesday

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September 15, 2004 Wednesday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS AND TECHNOLOGY EDITORS

LENGTH: 1339 words

HEADLINE: Ascential Software Previews Ascential World 2004 Events; Annual Global Data Integration Conference to Feature Executive Who Reinvented Harley-Davidson plus Data Integration Visionaries from Featured Analyst Firm Gartner, <u>IBM</u> +and other World-Class Enterprises

DATELINE: WESTBORO, Mass. Sept. 15

BODY:

Ascential Software Corporation •(Nasdaq: ASCL), the enterprise data integration leader, today previewed Ascential World 2004. This year's customer and partner conference will include three days of workshops, panel discussions, presentations, and special events from Oct. 24 - 26 at The Mirage in Las Vegas, Nevada. Visit http://www.ascentialworld.com for more information and online registration.

Ascential World 2004 will feature keynote presentations by leading industry experts from analyst and end-user communities. Ted Friedman, principal analyst, business intelligence infrastructure at Gartner, will explore the issue of data quality as the foundation for a successful enterprise, including the importance of data quality in today's business environment, approaches for measuring and quantifying its impact, and strategies for improvement. Janet Perna, general manager of the information management solutions software group at IBM, van Ascential Software partner and customer, will deliver a presentation entitled "Insight On Demand: Using the Power of Integrated Information." She will share IBM v's perspective on information management and the innovative ways companies are using information.

The closing keynote will feature Richard Teerlink, who has served as chief financial officer, president, chief executive officer and chairman at **Harley- Davidson**, an Ascential Software customer. Teerlink is credited with re- establishing the world-**famous Harley-Davidson brand** by building a corporate culture of trust and execution. He will share how he did it, isolate the reasons why, and explain how pitfalls were avoided along the way. Through powerful anecdotes, he will share his view of what is possible when a company's strategy and values are shaped by people at every level of the organization.

Ascential World 2004 has 24 sponsors. Platinum sponsors for the event include IBM -and PeopleSoft. Gold sponsors include HP, MicroStrategy, and Teradata. Silver sponsors include

Appfluent Technology, Attunity, BearingPoint, Cassatt, Celequest, Cognizant Technology Solutions, Cognos, DataDirect, Datamatics Technologies, Greenbrier Russel, GTSoftware, Information Builders, Insource, Kalido, Lakeview Technology, Netezza, Razza, Symphony RPM, and Teknion Data Solutions.

"This conference is about bringing together the world's foremost data integration technology thinkers and building a community around a topic of vital importance to all IT organizations. Ascential World 2004 provides a valuable forum for developers, IT managers, and line of business executives to expand their knowledge base and skills and share practical advice for optimizing enterprise integration," said Pete Fiore, president of Ascential Software. "We have expanded Ascential World to include more opportunities for one-on-one sessions with Ascential Software executives, provide deeper insights into our product vision and roadmap, and allow more interactions with the product teams who design and build Ascential Software solutions."

The conference meets a growing interest in sharing best practices, experiences, innovations and successes as customers and the market at large address complex enterprise data integration requirements. Ascential Software experts, partners and customers will lead hands-on tutorials and workshops, and moderate discussions spanning the full range of data integration requirements. Networking and social activities will include the Ascential Cirque Cabaret, an evening of fine dining and dramatic performances with interactive activities, imaginative costumes, amazing acrobatics and aerial artistry.

Highlights include:

- * An in-depth analysis and product roadmap update of the Ascential Enterprise Integration Suite(TM)
- * Product demonstrations
- * Industry-specific roundtable discussions on RFID, SAP Consolidation, Risk Management, and HIPAA Compliance
- * Tips, tricks and technique sessions with programmers and developers
- * Updates on key industry and business trends
- * Sessions covering the key economic and strategic forces driving the push toward data integration
- * An expanded Partner Pavilion, including some of the most influential technology leaders

About Ascential Software

Ascential Software Corporation (Nasdaq: ASCL) is the leader in enterprise data integration. Customers and partners worldwide use the Ascential Enterprise Integration Suite to confidently transform data into accurate, reliable and complete business information to improve operational performance and decision-making across every critical business dimension. Our comprehensive end-to-end solutions provide on demand data integration complemented by our professional services, industry expertise, and methodologies.

Ascential Software is headquartered in Westboro, Mass., and has more than 3,000 customers and partners globally across such industries as financial services and banking, insurance, healthcare, retail, manufacturing, consumer packagedgoods, telecommunications and government. For more information call 1-800-966-9875 (or 1-508-366-3888 from outside the U.S. or Canada) or visit the Ascential Software website at http://www.ascential.com.

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URL: http://www.prnewswire.com

LOAD-DATE: September 16, 2004

Mark: Jesus Jesus

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The networks ... should try ...limiting commercial breaks...and it wouldn't hurt to increase the quality of the programs"

-Laurence Feldman Highland Park, Ill.



MASS MEDIA: KILLING THE GOOSE THAT LAYS GOLDEN EGGS?

THE TV NETWORKS have been responsible for slowly strangling the goose that lays the golden egg in terms of diminishing consumer audiences and skipped commercials ("The vanishing mass market," Special Report, July 12). If you are of a certain age, you can recall when commercials on network TV were limited to nine minutes per hour and when networks and stations avoided placing competing products during the same commercial break. Now commercial time on the networks, including promos and supers, is almost double that, and the product has been cheapened by reduced news coverage and reality shows. To rise above the clutter, many advertisers have resorted to noise instead of product "news."

The networks bemoan such things as the use of TiVos-yet they raise prices as the market for their product (network advertising) diminishes. Instead, they should try a new approach, such as limiting commercial breaks or restructuring programs so that commercials appear only at the end of the programs. Oh, and it wouldn't hurt to increase the quality of the programs themselves, thereby provid-

ing an environment in which advertisers' products can be showcased.

-Laurence Feldman Highland Park, Ill.

Editor's note: The writer is professor emeritus of marketing at the University of Illinois at Chicago.

PERSONALLY SICKENED BY the glut of advertising slogans and icons which have infested every walk of life, it sent a chill down my spine to read of the complex strategies being devised to target consumers, particularly those of the teen and young adult demographic. Tivo did not blossom simply because of people's need to record programming when not at home. VCRs have effectively done that job. The enticement was to skip commercials. When McDonald's Corp. or Coca-Cola Co. resorts to product placement, it's not because the masses are too busy to pay attention to conventional TV spots. It's because the masses intentionally wish to avoid it.

As companies continue intruding into consumer "safe zones" reasonably expected to be free of corporate marketing, more people will not only turn off to those companies specifically but also

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The McGraw-Hill Companies

RusinessWeek

AUGUST 2, 2004 (ISSN 0007-7135)

Published weekly, Except for one week in January and one in August by The McGraw-Hell Companies, Inc. FOUNDER: James H. McGraw (1860-1948). PEECUTIVE. EDITORIAL, CIRCULATION, AND ADVERTISING OFF. EDICS: The McGraw-Hell Companies Building, 1221 Avenue of the Americas. New York, N.Y. 10020. Telephone: 212-512-2000. Telex Domestic 127039; bnlt 2360127039. Cel. 18-00-298-9870 or enalls buswees@nrms. 127039; bnlt 2360127039. Cel. 18-00-298-9870 or enalls buswees@nrms. 18-00-298-9870 or stre.com. Subrot har Services: 1400-635-1200. TUD: 1400-590-179.
POSTMASTER: Send address charges to BoxinessWeek, P.D. Box S22S, Boulder, CO 80322-323S. Periodicals postage guid at New York, N.Y. and at additional making offices. Canada Post Publication Mall Agreement Namber 4001250.

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PRINTED IN THE U.S.A.

BRANDS

The *BusinessWeek*/Interbrand annual ranking of the world's most valuable brands shows the power of passionate consumers

ASEY NEISTAT, 23, IS A SELF-PROFESSED APPLE JUNKIE. Along with his brother, Van, he is building his filmmaking career with the company's iMac computers and editing software. He usually leaves his Manhattan apartment with a sleek iPod plugged into his ear. So last year, when the Neistat brothers discovered the digital music player's batteries were irreplaceable and lasted just 18 months, they made a film called iPod's Dirty Secret and launched a protest Web site. Apple Computer Inc. addressed the problem. Now Neistat insists that the protest was an act of love: "We made that film because we believe in the brand so much."

Such loyalty flies in the face of conventional marketing wisdom. A customer spurned, the logic goes, is a customer lost. But these days the relationship between brands and their customers has become much more complex. For one thing, consumers simply know more than they used to. The Internet opens up a wealth of information, allowing for instant price and quality comparisons. But consumers demand more from the brands they love than simple reliability; passionate consumers want their brands to become a form of self-expression. Increasingly, consumers are customizing products and services to achieve that—whether it's tailoring colors on a pair of sneakers from Nike Inc. or adding items to their personal to-watch list on eBay. Instead of arms-length customers, they're beginning to act like and feel like owners or members of a community. They no longer passively consume. Through the Internet, they can talk back and talk to one another. They can ignite a groundswell of positive buzz or spawn a revolt. As Peter Weedfald, senior vice-president for strategic marketing and new media at Samsung Electronics North America, puts it: "Consumers are empowered in a way that's almost frightening."

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RANK	BRAND	2004 BRAND VALUE (BILLIONS)				
1.	COCA-COLA	\$67.39				
2	MICROSOFT	61.37				
3	IBM	53.79				
4	GE	44.11				
5	INTEL	33.50				
6	DISNEY	27.11				
7	McDONALD'S	25.00				
8	NOKIA	24.04				
9.	TOYOTA	22.67				
10	MARLBORO	22.13				
Data: Interbrand Corp., J.P. Chase & Co., Citigroup, Morgan Stanley						



This seismic shift in clout from companies to their customers is creating opportunities, especially for younger brands that grew up with the Internet and have become adept at building user communities. Meanwhile, some traditional brands, such as Coca-Cola and Microsoft, are struggling to retain their mammoth leads in a market where consumers increasingly resist what they see as bland ubiquity and a surfeit of power.

There have always been cult brands, mostly smaller labels unknown to the masses. But these days, building cults or at least strong communities, is a widespread strategy. No wonder companies that are able to instill a sense of ownership in near-fanatical customers showed the biggest gains in our fourth annual ranking of the 100 most valuable global brands. The loyal, if sometimes nagging, band of true believers behind No. 43 Apple—combined with tremendous success of the iPod—helped the dollar value of the brand jump 23.7%, to \$6.9 billion, over the past year. That was the biggest increase in this year's ranking, which is compiled in partnership with leading brand consultancy Interbrand Corp. A dollar value is calculated for each brand using a mix of publicly available data, projected profits, and variables like market leadership (page 68).

Apple was hardly alone in enlisting recruits. EBay makes its debut at No. 60. Fellow hot property Samsung Electronics, No. 21, jumped 15.7% in value to \$12.6 billion—a move that Seoul-based global marketing chief Eric B. Kim attributes to "building communities around our brand." Along with honing

a high-end image with its feature-packed cell phones and flatpanel TVs, it nurtures loyalty with events for users. Yahoo! and Amazon.com, Nos. 61 and 66, respectively, also made significant gains. But success isn't limited to the young. Cult icon Harley-Davidson, No. 41, climbed despite having been founded more than a century ago. While the value of those brands is a fraction of the top-ranked \$67.4 billion Coca-Cola brand or No. 2 Microsoft, with \$61.4 billion, those behemoths have lost brand value over the past year. And they, too, have started to recognize the need to nurture stronger ties with consumers. Witness moves by Microsoft to hold mini trade shows in airport lounges for consumers and the soda giant's creation of hip "Coke Red Lounges" for teens in suburban malls.

Group Think

THE GOAL: TO FOSTER A SENSE of shared experience and of belonging. Starbucks Chairman Howard D. Schultz balks at the notion that his brand, which ranks 98th in our survey and jumped 12% in value this year, is about selling various iterations of coffee. Says Schultz: "The product is the experience." His shops may sell latte, but what people really crave is the hip, relaxed ambiance, the music, even the baristas who remember the regulars' favorite concoctions. Sounds crazy? Not to student Amy Berkman. Approach her at her favorite New York City outlet and she lets forth a stream of opinions on everything from

SPECIAL REPORT

ideal chair configurations in the store to the type of mustard they should use on their ham-and-cheese sandwiches. "Something more tangy and grainy would work better," she says, sipping on her daily chai latte. She cares because this is where she hangs out with her friends. Berkman doesn't like coffee; she likes the experience of being at Starbucks.

The brands that have managed to build cultlike followings have done so by being, well, cultlike, at least in some aspects. They are self-consciously different from rivals. They're bound by a set of clearly defined and rigorously enforced values. And they fulfill a range of needs for their members-er, customers. The fastest-growing ones often project a an aura, an attractive group identity. Conjure up an image of an Armani customer or a Porsche driver and it will evoke a set of personality characteristics as much as it evokes a product preference. They also beget proselytizers-customers who will

chat up the brands to their buddies, set up Web sites, attend events, and proudly identify themselves as adherents, according to strategist Douglas Atkin of ad agency Merkley & Partners, who recently wrote *The Culting of Brands*. Nobody has to pay them. They are owners as well as customers.

The classic example of a cult brand is Harley-Davidson. The 101-year-old brand gained 4% in value this year to \$7.1 billion. Sure, there are new models like the sleek V-Rod line and fresh features aimed at wooing women, but the real buzz comes from the 886,000 members of the company-sponsored Harley Owners Group. They're the ones who organize rides, training courses, social events, and charity fund-raisers. They pore through motorcycle magazines and wear the Harley-branded gear to feel more like rugged individualists and outlaws when they hit the road on weekends. A quarter of a million of them descended on Milwaukee last Labor Day to celebrate the brand's centennial.

No wonder more than half of new Harley sales are to current customers who are trading up. The brand is self-reinforcing.

It doesn't take a cool category like motorcycles to yield a cult brand. Some are found in far more mundane sectors-like furniture retailing. In Shanghai, Wang Jian Shuo runs a Web blog that, among other things, delves into his likes and dislikes with No. 40 Ikea, the Swedish furniture chain that offers modestly priced, ready-to-assemble furniture with cute names. He writes about everything from the 12¢ ice cream cones in the store cafeterias to how, as a newly graduated student in 1999, he spent his first month's salary on a "Billy Bookcase." Notes

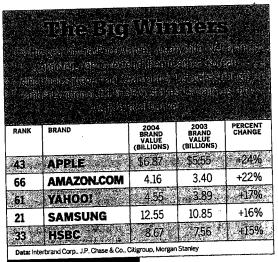


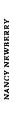
Cultlike brands are self-consciously different from their competitors

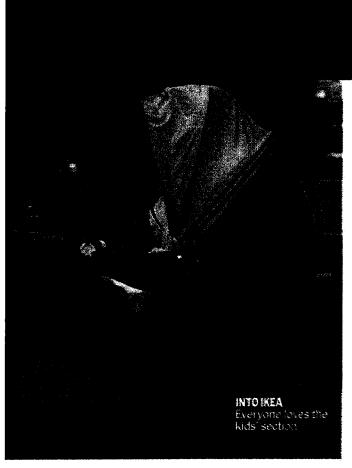
Wang: "Ikea seems to know my life better than any other furniture brand." Among those posting responses to his musings are a Malaysian fan who started his own Ikea forum and another who makes jokes about Swedish meatballs.

Such exchanges underline a key aspect of brand communities in the modern age: They evolve in ways that the head office often can't control. Newly empowered consumers can appropriate and manipulate the brand in whatever way they want. The Neistat brothers' anti-iPod Web site has generated 1.4 million hits from around the world. And it's not just brand fans who can make a difference—or inflict damage. Witness the success of Super Size Me, in which documentary filmmaker Morgan Spurlock chronicled his decline in health while eating meals at McDonald's for 30 days in a row. Although it denies any link, McDonald's Corp. recently did away with the Super Size meal option. They called it a menu simplification.

The key for brand builders is to give empowered consumers a great product and the tools to use it however they want. Jeffrey P. Bezos, chief executive of Amazon.com, whose brand value grew 22%, believes there is a distinct community built around his brand, even though it's now used by more than 30 million people worldwide. For him, community is defined as "neighbors helping neighbors make purchase decisions." That means allowing negative customer reviews, even if it sabotages a possible sale. It meant halting spending on conventional advertising last year to funnel money into cutting prices and improving service in the belief that the community itself







would spread the word. What Bezos does control is the range and quality of his site's offerings. "The thing that we did early on is that we made it very easy for people to find very obscure products," notes Bezos. "If you're not doing something that people will remark on, then it's going to be hard to generate word of mouth."

Mass Customization

SOME COMPANIES ARE using mass customization to bind their customers ever more tightly to their brands. The efforts extend beyond the individualized Web pages that characterize Web sites like Amazon.com and eBay. It means allowing customers to set up fan sites on the Web or personalize items. Some companies, like No.18 Honda Motor and Nike, offer tools to help customers put their imprint on a product—such

as choosing unique color combinations and messages for their sneakers. But relinquishing control has proved to be hard for some marketers. No. 6 Walt Disney and No. 82 AOL have famously chased down fans for unauthorized use of copyrighted material. As brand "futurist" Andrew Zolli argues: "When you get to the point where you're suing your customers over their use of your brand, it's time to change your business model."

Even brands that have largely grown through acquisitions and smart pricing understand the importance of building a distinct image and fan base. As Peter Stringham, group general manager of HSBC Holdings PLC bank in London notes: "Nobody needs a new anything anymore." Instead, what has allowed No. 33 HSBC to jump 15%, to \$8.7 billion, this year is clear differentiation as "the world's local bank" with a flavor that varies by location. On Jan. 28, for example, it kicked off the rebranding of newly acquired Mexican bank GF Bital with a free live concert in Mexico City for 10,000 people by pop singer Luis Miguel. In New York, it grabbed attention by offering free taxi rides in a cab emblazoned with the bank's red and white logo to any passenger with an HSBC bank card.

In contrast, some old-line brands seem to be coasting on sheer size rather than an ability to forge a unique relationship with customers. Even brands that have enjoyed decades of success and have instant recognition with consumers can lose some sparkle. Over the past year heavyweights like Microsoft, Coca-Cola, and Walt Disney saw their brand values erode. Others, like Finnish mobile-phone giant Nokia Corp., No. 8, are struggling to regain momentum. "Nokia used to differentiate but I don't think people would know what to associate with it now," argues Jan Lindemann, Interbrand's global director of brand valuation. Nokia's head of global branding, Tapio Hedman, admits that "some young people may find Nokia too everyday, too middle of the road." But he disputes the notion that his brand could plummet 18% over 12 months, as it did this year in our ranking, arguing that brand equity takes years to win and lose. "Once you have it, it's a bit like insurance," says Hedman. "It's not likely to be eroded very fast unless you make one mistake after another."

That may be a dangerous point of view to take. Just ask Royal Philips Electronics' new chief marketing officer, Andrea Ragnetti, who blames the lack of buzz around the Dutch electronics giant, which dropped 2% in the rankings, to No. 65, on years of underinvesting in the brand. "It's seen as a dull, solid, reliable brand but nothing really special, nothing sparkling," says Ragnetti, who is currently trying to narrow the brand's target demographics and recast its message.

That doesn't mean big brands can't connect with customers. Even massive players like No. 4 General Electric Co., which saw its brand value gain 4%, to \$44.1 billion, can adopt a fun, flirty style. The most popular section on the company's Web site is the "GE Pen," which allows users to doodle in a variety of colors and styles before e-mailing their handiwork to a friend. Since launching last year, it has received more than 43 million impressions. When the site went down for a few days to upgrade, the compa-

ny was deluged with e-mails that asked where it had gone. Does it help the company sell more ovens or advertising on NBC? Probably not. But it certainly gives users a warmer feeling about GE. These days, anything that makes fans out of fickle consumers can be priceless in building a brand.

-By Diane Brady in New York, with Robert D. Hof in San Mateo, Calif., Andy Reinhardt in Paris, Moon Ihlwan in Seoul, Stanley Holmes in Seattle, Kerry Capell in London, and bureau reports

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RANK	BRAND	2004 BRAND VALUE (BILLIONS)	2003 BRAND VALUE (BILLIONS)	PERCENT CHANGE
53	KODAK	\$5.23	\$7.83	-33%
46	NINTENDO	6.48	8.19	-21%
8	NOKIA	24.04	29,44	-18
82	AOL	3.25	3.96	-18
19	FORD	14.47	17.07	-15

BusinessWeek For an interview with Bezos and a Video View with Interbrand's Lindemann, go to businessweek.com/magazine/extra.htm

THE GLOBAL BRAND SCOREBOARD

The 100 Top Brands Here's how we calculate the power in a name

LOTS OF INGREDIENTS go into ranking the world's most valuable brands. To even qualify for the list, each brand must have a value greater than \$1 billion, derive about a third of its earnings outside its home country, and have publicly available marketing and financial data. One or more of those criteria eliminate such heavyweights as Visa, Wal-Mart, Mars, and CNN. We don't rank parent companies, which explains why Procter & Gamble doesn't show up. And airlines are not ranked because it's too hard to separate their brand's impact on sales from factors such as routes and schedules.

BUSINESSWEEK CHOSE Interbrand Corp.'s methodology because it evaluates brands much the way analysts value other assets: on the basis of how much they're likely to earn in the future. Then the projected profits are discounted to a present value, based on the likelihood that those earnings will actually materialize.

THE FIRST STEP IS figuring out what percentage of a company's revenues can be credited to a brand. (The brand may be almost the entire company, as with McDonald's Corp., or just a portion, as it is for Marlboro.) Based on reports from analysts at J.P. Morgan Chase, Citigroup, and Morgan Stanley, Interbrand projects five years of earnings and sales for the brand. It then deducts operating costs, taxes,

and a charge for the capital employed to arrive at the intangible earnings. The company strips out intangibles such as patents and customer convenience to assess what portion of those earnings is due to the brand.

FINALLY, THE BRAND'S strength is assessed to determine the risk profile of those earnings forecasts. Considerations include market leadership, stability, and global reach—its ability to cross both geographical and cultural borders. That generates a discount rate, which is applied to brand earnings to get a net present value. BusinessWeek and Interbrand believe this figure comes closest to representing a brand's true economic worth.

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₹ 5 10	177 (167) 17 (197) 18 (1870)			ownia sui	
1 1 COCA-COLA	67,394	70,453	-4%	U.S.	Little innovation beyond its flagship brand and poor management has caught up with Coke as consumers' thirst for cola has diminished.
2 2 MICROSOFT	61,372.	65,174	-6%	່ະ ປູເຣ.	Its logo pops up on 400 million computer screens worldwide. But virus plagues and rival Linux took some luster off Gates & Co.
3 3 IBM	53,791	51,767	4%	U.S.	A leader in defining e-business, with services making up more than half of Big Blue's sales.
4-4 GE	44,111	42,340	4%	U.S.	With acquisitions in areas from bioscience to bomb detection, it's easier to buy GE's new theme of "imagination at work."
5 5 INTEL	33,499	31,112	8%	U.S.	No longer just inside PCs, Intel is using its muscle to set the agenda for everything from wireless standards to the digital home.
6 7 DISNEY	27,113	28,036	-3%	- '- U.S '	Long the gold seal in family entertainment, but newcomers like Nickelodeon and Pixar are siphoning off some of its brand equity.
7 8 McDONALD'S	25,001	24,699	1%	U.S.	Big Mac has pulled out of a two-year slump but still has to battle its reputation for supersizing the world's kids.
8 6 NOKIA	24,041	29,440	-18%	Finland	Tough times for the mobile-phone giant as its market share has slipped and younger buyers turn to rivals such as Samsung.
9 11 TOYOTA	22,673	20,784	9%	Japan	With rock-solid quality and the edge in hybrid cars, the Japanese auto maker is on track to overtake Ford in worldwide sales.
10:9 MARLBORO	22,128	22,183	0%	U.S.	The No. I name in cigarettes has cut prices and upped marketing to beat back the challenges of higher taxes and fewer smokers.
11 10 MERCEDES	21,331	21,371	0%	Germany	With wobbly profits and quality problems, the luxury car brand is struggling to retain premium status.
12 12 HEWLETT-PACKAR	ID 20,978	19,860	6%	us.	Covering everything from digital cameras to service, the IT giant wants to dominate the middle ground between Dell and IBM.
13 13 CITIBANK	19,971	18,571	8%	U.S.	New CEO Charles Prince has spurred on global expansion and boosted the consumer credit division.
14 15 AMERICAN EXPRE	SS 17,683	16.833	.5%	US.	A recent federal court ruling that allows banks to issue Amex cards should give the brand another boost.
15 16 GILLETTE	16,723	15,978	5%	U.S.	Despite the tougher competition from Schick, the King of Blades still reigns with new products like the battery-powered M3Power.

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16	17	CISCO	15,948	15,789	1%	U.S.	The networking behemoth used slick TV ads and key acquisitions like Linksys to extend its reach.
. 17	19	BMW	15,886	15,106	5%	Germany	The Bayarian auto maker is powering higher sales with a raff of new-models from the sleek 6 Series sports coupe to the X3 baby SUV:
18	18	HONDA	14,874	15,625	-5%	Japan	Overtaken by Nissan at home and falling further behind rival Toyota in the U.S. market.
19	14	FORD	14,475	17,066	-15%	u.s.	Ford is trying to make quality "Job One", again after an embarrassing run of glitches, but leery consumers haven't yet regained trust.
20	20	SONY	12,759	13,153	-3%	Japan	It was late to the LCD TV boom, and the PS2 video game console is slipping. Worse, rival Samsung is in Sony's face.
21	25	SAMSUNG	12,553	10,846	16%	S. Korea	No longer known just for undercutting the prices of big Japanese brands, the Korean consumer-electronics dynamo is suddenly cool.
22	23	PEPSI	12,066	11,777	2%	U.S.	Targeted marketing and ads abroad with stars like soccer icon David Beckham have enabled the No. 2 cola maker to steal some of Coke's fizz.
23	21	NESCAFE	11,892	12,336	-4%	Switzerland	It's still the world's favorite instant coffee but even products like ice. Java struggle against hip upscale brands like Starbucks.
24	22	BUDWEISER	11,846	11,894	0%	U.S.	The growing global low-carb trend has left Bud flat. Plus, it's under attack from bulked-up and feisty rival Miller.
25	29	DELL	11,500	10,367	11%	^y U.S.	With its reputation for low prices and fast delivery, Dell continues to leave competitors in the dust.
26	27	MERRILL LYNCH	11,499	10,521	9%	U.S.	A painful overhaul is behind it. Now the retail brokerage is back in hiring and expansion mode.
27	26 .	MORGAN STANLEY	11;498	10,691	8%	U.Ş.	The investment bank's reputation is rising along with mergers and stock issuances, its specialty.
28	24	ORACLE	10,935	11,263	-3%	U.S.	The database-software business is up, but CEO Lawrence Ellison's fight to buy rival PeopleSoft makes Oracle look like a corporate raider.
29	28	PFIZER	10,635	10,455	2%	U.S.	The pharma industry's powerhouse, with 11 products each expected to top \$1 billion in annual sales this year.
30	31	J.P. MORGAN	9,782	9,120	7%	U.S.	The marquee investment bank had a solid year, and now can extend its reach with its \$58 billion acquisition of Bank One Corp.
31	33	NIKE	9,260	8,167	13%	US.	With allegations of sweatshop operations behind it and a growing soccer line. Nike rules the athletic market.
32	30	MERCK	8,811	9,407	-6%	. U.S.	The drugmaker has tried to bolster its lineup with more partnerships, but patent expirations and research flops still pinch.
33	37	HSBC	8,671	7,565	15%	Britain	After snapping up Household International in 2003, the "world's local bank" is making inroads in the U.S. market.
34	35	SAP	8,323	7,714	8%	Germany	Its establishment image and sharp marketing have helped SAP thrive in a volatile software market.
35	39	CANON	8,055	7,192	12%	Japan	Hot digital cameras and printers boosted sales. Next up: an expanded line of sleek color copiers.
36	38	KELLOGG'S	8,029	7,438	8%	U.S.	Jumping on the low-carb bandwagon has kept Kellogg's cereal business crackling.
37	41.	GOLDMAN SACHS	7,954	7,039	13%	U.S.	With record profits, it remains one of the most prestigious institutions on Wall Street.
38	36	GAP	7,873	7,688	2%	U.S.	The retail chain has revived its brand with fresh fashions and celebrity endorsements.
39	NEW	SIEMENS	7,470	New	New	Germany	The Munich conglomerate behind everything from phones to power plants is seeing a payoff from years of global image building.
40	43	IKEA	7,182	6,918	4%	Sweden	The Swedish home furnishing chain is now pushing cheap chic furnishings as far as Russia and Asia.
41	44	HARLEY-DAVIDSON	7,057	6,775	4%	u.s.	The motorcycle icon has lowered seat heights to woo women and trimmed prices, but production firmits put a brake on growth.
42	40	HEINZ	7,026	7,097	-1%	U.S.	Despite wacky colors and cute ads, it's proving hard to boost value in foods like ketchup and beans.
43	50	APPLE	6,871	5,554	24%	ü.s.	The ¡Pod digital music player gave one of tech's coolest brands the consumer electronics hit of the year.
44	45	LOUIS VUITTON	6,602	6,708	-2%	France	It has a hot Murakami line and Jennifer Lopez in its ads, but is Vuitton getting over-exposed?

THE GLOBAL BRAND SCOREBOARD

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45	NEW	UBS	6,526	New	New	Switzerland	With a consolidated brand and its catchy "You and Us" campaign, the world's biggest asset manager is booming.
46	32	NINTENDO '	6,479	8,190	*-21%	Japan	It has an unrelenting focus on kids, but has Nintendo abandoned the gamers who have grown up?
47	46	MTV	6,456	6,278	3%	U.S.	The music network pumps cash for parent Viacom, and has an international reach that's the envy of U.S. media rivals.
48	42	VOLKSWAGEN	-6,410	6,938	-8%	Germany	Aging models and missteps make consumers write off the people's car as pricey and a bit dulf
49	47	L'OREAL	5,902	5,600	5%	France	Expansion in Asia and smart targeting of ethnic markets have the personal-care group looking prettier every day.
50	52.	ACCENTURE	5,772	5,301	9%	U.S.	The tech services giant has its mojo back, with a contract to secure U.S. borders, and more consulting work;
51	48	XEROX	5,696	5,578	2%	U.S.	The copier maker is starting to convince customers that it can be a digital document one-stop-shop.
52	55	WRIGLEY'S	5,424	5,057	7%	U.S.	Sales are up as the gum maker tooks to push popular brands into more mouths worldwide.
53	34	KODAK	5,231	7,826	-33%	U.S.	Removed from the Dow and only dominant in a film business that shrinks every year.
54	49	KFC	5,118	5,576	-8%	u.s.	Despite efforts to make the brand seem healthier, the world still focuses on the middle name in Kentucky Fried Chicken.
55	51	PIZZA HUT	5,050	5,312	-5%	U.S.	The low-carb craze crimped pizza sales, and the chain's tardiness in diversifying its menu didn't heip.
56		COLGATE	4,929	4,686,	5%	U.S.	With a growing lead over Crest in markets from Russia to China, the toothpaste company is smiling
57	54	KLEENEX	4,881	5,057	-3%	U.S.	The big name in tissues can't blow off fierce price-cutting by rivals or higher costs in pulp and paper.
58	57	AVON	4,849	4,631	5%	U.S.	The cosmetic company's door to door model is performing beautifully in foreign markets like Brazil and China.
59	53	GUCCI	4,715	5,100	-8%	Italy	Sales were slipping even before influential creative director Tom Ford said an April arrivederci.
60	NEW	EBAY	4,700	New	New	Ü.S.	With everything from vintage jewelry to new DVDs, it's where the world shops for pargains.
61	65	YAHOO!	4,545	3,895	17%	Switzerland	The Internet portal has found riches in sponsored search but former partner Google is muscling into its turf.
62	60	NESTLE	4,529	4,460	2%	France	Chocolate is the key ingredient, but the Swiss giant is moving into nutritional supplements and fitness bars.
63	62	DANONE	4,488	4,237	6%	France	Strong sales of dairy products and bottled water keeps the French food company in good health.
64	61	CHANEL	4,416	4,315	2%	Ų.S.	Successful couture and Nicole Kidman ads have kept this tashion house on people's lips, hips, and wrists.
65	59	PHILIPS	4,378	4,464	-2%	Netherlands	The Dutch electronics giant has scored some hits, but it's still struggling to fend off Asian rivals
66	74	AMAZON.COM	4,156	3,403	22%	∵u.s.	It dumped TV ads to cut prices, jump-starting sales and building its position as the Wal-Mart of the Web.
67	63	KRAFT	4,112	4,171	-1%	U.S.	There's new low-carbs packaging but critics accuse the food giant of producing products that make kids fat.
68		CATERPILLAR	3,801	3,363	13%	U _i Si.	The equipment manufacturer is plowing ahead as the industrial sector strengthens.
69	67	ADIDAS	3,740	3,679	2%	Germany	The German maker of athletic wear dominates in soccer, but is still trying to find its footing in the U.S.
70	68	ROLEX	3,720	3,673	1%	Switzerland	For high-end consumers, the leading luxury watch maker's appeal is timeless.
71	76	REUTERS	3,691	3,300	12%	Britain	American CEO Tom Glocer's cost cuts and new products are helping the info giant turn the corner.
72	69	BP	3,662	3,582	2% -	Britain -	Now second only to ExxonMobil in size, BP is raking in cash thanks to high oil and gas prices.
73	66	TIME	3,651	3,784	-4%	U.S.	Softer advertising pulls down the brand even as its book division pumps out bestsellers.

			, ile.				<u> </u>
7 4	NEV	v PORSCHE	3,646	New	New	Germany	turbocharged the brand.
75	70	TIFFANY	3,638	3,540	3%	U.S.	The lure or its diamonds, pearls, and silver is strong but Japan is looking tarnished and U.S. store sales are down.
76	81	MOTOROLA	3,483	3,103	12%	U.S.	Motorola is relevant again, with its clam-shell phones gaining in Europe and in new markets like China.
77	79	PANASONIC	3,480	3,257	7%	Japan	If boasts some of the best technology in must-have items like recordable DVDs and plasma-screen TVs.
78	78	HERTZ	3,411	3,288	4%	U.S.	Healthy international markets help the king of car rental roar again, even amid rising gas prices.
79	73	HERMES	3,376	3,416	-1%	France	The maker of silk scarves and Kelly handbags hopes designer Jean Paul Gaultier can freshen its image,
80	71	DURACELL	3,362	3,438	-2%	U.S.	Relentless discounting and promotions continue to commoditize the world of batteries.
81	NEW	AUDI	3,288	New	New	Germany	The new A8 and strong global expansion have made Audi a profit en- gine. It's even thriving in China.
82	64	AOL	3,248	3,961	-18%	U.S.	Federal accounting inquiries and a messy merger have tarnished the AOL name as it fights to keep customers.
83	82	HENNESSY	3,084	2,996	3%	France	Parent LVMH is toasting the popularity of cognac with the world's young urbanites, especially among the hip-hop set:
84	83	SHELL	2,985	2,983	0%	Brit./Neth.	The energy giant is struggling to require the free and the struggling to
85	77	LEVI'S	2,979	3,298	-10%	U.S.	Even its iconic 501 jeans are discounted these days and brands like Diesel are finding legs with young shoppers.
86	85	SMIRNOFF	2,975	2,806	6%	Britain	The best-selling vodka builds on its popularity with Smirnoff Twist and "malternatives" such as Smirnoff Ice.
87	86	MOZNHOL&NOZNHOL	l 2,952	2,706	9%	U.S.	Holding firm in a tough market, it had a hit with a drug-coated stent, But competition looms there, too.
88	NEW	ING	2,864	New	New	Netherlands	ING Direct and a forceful U.S. marketing push put the Dutch financial services firm on the map.
89	88	MOET & CHANDON	2,861	2,524	13%	France	Strong growth in Japan and the U.S. keeps the world's leading champagne brand bubbling along.
90	89	NISSAN	2,833	2,495	14%	Japan	Having pushed aside Honda in Japan, it's gaining North American share with Titan trucks and the Altima sedan.
91	NEW	CARTIER	2,749	New	New	France	The bejeweled panther has shed cheaper items and held tight to its luxury status through tough times.
92	NEW	ESTEE LAUDER	2,634	New	New	U.S.	This fixture of the high-end cosmetics counter is now expanding in middle markets like retailer Kohl's.
93	NEW	ARMANI	2,613	New	New	ltaly	Known for classy clothes, it's expanding into everything from home furnishings to hotels and restaurants.
94	84	BOEING	2,576	2,864	-10%	U.S.	It has lost commercial market share to rival Airbus, as execs try to erase the taint of a Pentagon hiring scandal.
95	87	PRADA	2,568	2,535	1%	ltaly	Still the preserve of pretty stars but rapid expansion and debt could dilute some of Prada's exclusive cachet.
96	91	MOBIL	2,492	2,407	4%	U.S.	It got a boost from reformulated motor oil and its status as NASCAR's official lubricant.
97	92	NIVEA	2,409	2,221	8%	Germany	The mid-market skin-care line is now a leader in plumping up men's faces, too.
98	93	STARBUCKS	2,400	2,136	12%	U.S.	Global expansion, new products, and yet more variations on the humble cup of java boost the coffee hut's appeal.
99	90	HEINEKEN	2,380	2,431	-2%	Netherlands	Sales may be flat at Europe's largest brewery, but the 141-year-old Amsterdam brand remains the world's favorite premium brew.
00	95	POLO RL	2,147	2,048	5%	U.S.	It has consolidated control of its clothing brand, pushing same-store sales up 11% in the last quarter of 2003.

The brand valuations draw upon publicly available information, which has not been independently investigated by interbrand. Valuations do not represent a guarantee of future performance of the brands or companies. **Data:** Interbrand Corp., J.P. Morgan Chase & Co., Citigroup, Morgan Stanley, *BusinessWeek*

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: CHRIST

Exhibit 38

Chick-Fil-A chief says good hires key to success Florida Times-Union (Jacksonville) July 18, 2004 Sunday

Copyright 2004 The Florida Times-Union Florida Times-Union (Jacksonville)

July 18, 2004 Sunday City Edition

SECTION: BUSINESS; Pg. G-1

LENGTH: 283 words

HEADLINE: Chick-Fil-A_-chief says good hires key to success

BODY:

Of the 150 or so people camped out around Yulee's new <u>Chick-Fil-A</u> recently, many were there because of the free food they hoped to win. But some of the crowd were there simply because they were in love with the restaurant, with the company's reputation, with -- in short -- with the <u>Chick-Fil-A</u> brand.

That type of branding takes years of work to build, company President and Chief Operating Officer Dan Cathy said -- and can easily be destroyed if anyone in the company -- from management to the teenager behind the counter -- loses focus.

That's one reason the executive showed up at the grand opening himself, hosting a midnight ice cream party and rolling out a sleeping bag. "My most important responsibility is to keep the business healthy," he said. "I have to stay close to the customers."

Cathy's goal is to have his family-owned company's **brand** ranked with such **well-known** (and beloved) companies as Krispy Kreme and **Harley-Davidson**.

The key to such successful **branding**, he said, lies in the people <u>Chick-Fil-A</u> hires. While the food might bring people in the door, there's not that much difference between his company and other fast-food chains.

"Most of the difference is in the people," Cathy said. "We seek to serve other people. That sets the tone."

REFUNDS: CHECK THE LIST

\$100 million

About how much unclaimed property the Florida Department of Financial Services has returned to its rightful owners in the past fiscal year. The department is still holding about \$1.1 billion in cash and property that comes from abandoned bank accounts, insurance proceeds, stocks, dividends, uncashed payroll checks, refunds and safe deposit boxes. The list of property can be found at www.Fltreasurehunt.org.

GRAPHIC: Photo

Photo: biz_04dancathy070804 biz_04da

LOAD-DATE: July 20, 2004

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325



Exhibit 39

Leisure stocks having a great time Chicago Tribune June 13, 2004 Sunday

Copyright 2004 Chicago Tribune Company Chicago Tribune

June 13, 2004 Sunday Chicago Final Edition

SECTION: BUSINESS; ZONE C; Pg. 5

LENGTH: 815 words

HEADLINE: Leisure stocks having a great time

BYLINE: Andrew Leckey, Tribune Media Services columnist.

BODY:

Feel like kicking up your heels this summer?

You're not alone. Business at leisure companies is up, as Americans seek out the varied pleasures of theme parks, cruise lines, raceways, casinos, resorts and hotels.

This getaway trend, which thumbs its nose at soaring gasoline prices, is a boost to the stocks of these firms that hope everyone has a really good time and spends lots of money.

For example, revenues from the theme parks of <u>Walt Disney Co.</u> (DIS) rose 21 percent in the past quarter, helping that company to a 71 percent earnings increase. The number of foreign visitors to <u>Walt Disney</u> World and Disneyland, which declined significantly after the Sept. 11, 2001, terrorist attacks, is also rebounding.

Just don't forget that leisure stocks remain cyclical and susceptible to the vagaries of the economy and consumer sentiment. The revival in activity also means fewer discount deals for vacationers in cruises and other types of vacations.

"Barring a terrorist event of some magnitude or something bad happening to the U.S. economy, business will continue to be a lot better this year in the cruise industry," said Robert Simonson, leisure analyst for William Blair & Co. in Chicago. "While studies show the satisfaction levels of those taking cruises is high, cruises still have very small penetration of the vacation market."

The two cruise firms that control 75 percent of the industry are excellent stock bets, Simonson believes.

Royal Caribbean Cruises (RCL), which operates Royal Caribbean and Celebrity cruises, has 28 cruise ships with 58,000 passenger berths. Another choice, <u>Carnival Corp.</u> (CCL), whose brands include the Carnival, Princess, Holland America, Costa, Cunard and Windstar lines, has 113,000 passenger berths.

"The stocks of casinos have been performing very well and, while oil prices have hurt the airlines, they haven't had much of an effect on leisure travel to Las Vegas and other gaming

meccas," said Raymond Neidl, casino and airline analyst with Blaylock & Partners in New York. "While casino hotel room pricing is strong, you can still get deals in Las Vegas."

The luck lately has been really good for the gaming hotels.

Mandalay Resort Group → (MRG), whose properties include Mandalay Bay, Luxor, Excalibur and Circus Circus, is a Neidl favorite. So are MGM Mirage (MGG), which owns the Bellagio, MGM Grand, The Mirage, Treasure Island and New York-New York casinos; Harrah's Entertainment Inc. (HET), which in addition to casinos and hotels owns two race tracks; and Station Casinos Inc. (STN), owner of casinos in Las Vegas and manager of a California casino for a Native American tribe.

Staying in the good ol' U.S.A. is popular this summer.

"The weak U.S. dollar and the general fear or discomfort with traveling overseas should lead to a strong summer in the U.S.," predicted William Marks, lodging and resorts analyst for JMP Securities in San Francisco. "People aren't going to Europe as much, it's also expensive to go to Canada and it's become cheaper to stay in the U.S."

That's great news for La Quinta Corp. (LQI), which derives half of its lodging business from summer leisure travel, according to Marks. He also likes Gaylord Entertainment (GET), whose holdings include unique properties such as the Radisson Hotel at Opryland in Nashville and related Opryland properties, and Marriott International Inc. (MAR), which operates or franchises 2,718 lodging properties worldwide.

The need for speed is playing an increased role in 2004. NASCAR racing is rapidly gaining in popularity, and the resulting lucrative television contracts have jump-started the motor sports stocks, according to Simonson.

He likes the stock of International Speedway Corp. (ISCA), which owns or operates a dozen facilities that include the Daytona, Talladega, Michigan, Richmond and Darlington race tracks. Another top selection is Speedway Motorsports Inc. (TRK), whose tracks include Atlanta, Bristol, Infineon and Las Vegas speedways.

He also recommends **Harley-Davidson** Inc. (HDI), the **famous** motorcycle company that boasts a solid and growing cult following.

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Mutual funds join the fun

There are also mutual funds investing in profitable companies that entice us to have a little fun. Here are the one-year results and holdings of funds emphasizing leisure, according to Morningstar Inc.:

- Rydex Leisure (RYLIX), up 29 percent, with top holdings Time Warner (TWX), Viacom (VIAb), McDonald's (MCD) and Starbucks (SBUX).
- Fidelity Select Leisure (FDLSX), up 26 percent, with top holdings Comcast (CMCA), McDonald's (MCD) and JetBlue Airways (JBLU).
- Icon Leisure & Consumer Staples (ICLEX), up 24 percent, with top holdings Brunswick (BC), CEC Entertainment (CEC), Callaway Golf (ELY), Walt Disney -(DIS) and Ruby

Tuesday (RI).

- Invesco Leisure (FLISX), up 18 percent, with top holdings International Game Technology (IGT), Omnicom Group (OMC) and Cablevision Systems (CVC).

NOTES: YOUR MONEY: A WEEKLY GUIDE TO PERSONAL FINANCE.

GRAPHIC: GRAPHIC: Illlustration by Peter Hoey.

GRAPHIC

LOAD-DATE: June 14, 2004

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: CHRIST

Exhibit 40

Brand positioning; Unlike more glamorous products, tires can be tough to market; usually the medium is indeed the message Tire Business May 10, 2004, Monday

Copyright 2004 Crain Communications, Inc. Tire Business

May 10, 2004, Monday

SECTION: Pg. 1

LENGTH: 1174 words

HEADLINE: Brand positioning; Unlike more glamorous products, tires can be tough to

market; usually the medium is indeed the message

BYLINE: Miles Moore

DATELINE: WASHINGTON

BODY:

Differentiation. Relevance. Esteem. Knowledge.

Those are what BrandEconomics L.L.C., a New York-based brand management consulting firm, calls "the pillars of brand health," and those are the four consumer dimensions every brand-name product must have in higher degree than its competitors in order to succeed.

Those brand-name products, of course, include tires. Unfortunately, marketers of tires have a harder time achieving the brand positioning they seek than most other product purveyors, according to BrandEconomics Chairman Al Ehrbar.

"One really big problem with tires is that they come with a car," Mr. Ehrbar said. "Most people only buy tires out of necessity, when they wear out, apart from auto enthusiasts. They're not really a discretionary purchase, and they're hard to differentiate."

So how do tire manufacturers achieve the brand positioning they want?

The answer: any way they can. That can include advertising, promotional materials, consumer education programs, racing, direct mail, the Internet, the occasional guest shot on MTV and even-in the case of Bridgestone/Firestone-creating a new brand, as was the case last year when the tire maker unveiled its Fuzion tire line. "We use all the media mix available to us," said Sheryl Henderson, director, Michelin brand for Michelin Americas Small Tires (MAST). "The key thing is to get your message integrated across all marketing media."

Brands-most valuable assets

According to BrandEconomics, brands are among a company's most valuable assets. "For most companies today, the value of intangible assets far exceeds invested capital, and in some industries the most important tangible clearly is brand," a recent BrandEconomics report stated.

"A **brand** has value because it's extendable to other categories," Mr. Ehrbar said. **Harley-Davidson** is a prime example, he added; the motorcycle manufacturer extended its **well-**

known brand to clothing and even an erstwhile theme restaurant in New York.

"Some automobile brands, such as Porsche, have done that too," he said. "The particular difficulty for doing that with tire brands is that they're highly undifferentiated."

BrandEconomics has developed its own database-the Brand Asset Valuator, or BAV-to produce what it calls "the first wholly objective estimates of brand values across important product and service sectors." Used in tandem with the Economic Value Added (EVA) methodology developed by parent company Stern Stewart & Co. for analyzing financial performance, BAV supports the development of sound brand strategies and decisions, the company said.

The four consumer dimensions measured by BAV, according to BrandEconomics, are:

- * Differentiation-the perceived distinctiveness of the brand;
- * Relevance-the perceived usefulness of the brand to consumers and its ability to meet consumers' needs;
- * Esteem-the respect a brand has among consumers; and
- * Knowledge-the depth of consumer understanding about the brand.

Every product has a grade somewhere on a 100-percentile spectrum in each of these dimensions, Mr. Ehrbar said, and these grades -the higher the number the better-fluctuate with time and events in the marketplace. The Firestone brand, for example, had a BAV esteem rating in the 76th percentile in 1999, but that tumbled to the 33rd percentile after the Ford Explorer/tread separation debacle and the recall of 6.5 million Firestone ATX and Wilderness tires the following year. Through careful advertising, however, the brand jumped back to the 63rd percentile in the most recent evaluation.

But esteem only measures regard among those who know tire brands, or have any particular brand loyalty, Mr. Ehrbar said. "In differentiation, Firestone's down with the rest of the pack," he said. "It went from the 17th to the 7th to the 11th to the 17th percentile in the same four years" that it went from the 76th to the 33rd to the 63rd percentile in esteem.

In general, tire brands lag badly in differentiation behind cars and other products that have a higher profile in the public's mind, according to Mr. Ehrbar. "Tire brands have differentiation in the bottom 10th percentile of all brands in the U.S.," he said, adding that Firestone actually is one of the top tire brands in this category.

The really big winners in differentiation among tire brands, however, are Michelin-in the 47th percentile-and Pirelli, in the 37th percentile.

"Michelin and Pirelli have a long association with high-end import cars, a carryover from the '50s and '60s," Mr. Ehrbar said. Virtually every major tire brand-not only Michelin, Pirelli and Firestone but also Goodyear, BFGoodrich, Bridgestone and others-has a high esteem level among consumers, he added. "But it's a daunting task to make a strong brand out of a tire."

Because BrandEconomics specializes in evaluating the financial and investment value of product brands, it doesn't comment on possible strategies to raise a brand's profile, Mr.

Ehrbar said. But Jack Trout, president of the marketing firm Trout & Partners Ltd. in Old Greenwich, Conn., specializes in just such strategies.

Mr. Trout was a pioneer of the concept of brand positioning. Positioning: The Battle for Your Mind, the 1980 book he co-wrote with Jack Ries, is still the standard text on the subject.

One of his earlier jobs was as a divisional advertising manager at the old Uniroyal Inc., in charge of tires. As such, he created the ad campaigns in the 1960s for both the Uniroyal Rain Tire and Tiger Paw; the latter, which was original equipment on the Pontiac GTO, was one of the earliest examples of high-performance positioning in tire advertising.

The goal in tire brand positioning, according to Mr. Trout, "is to find a way to make consumers buy tires for cause. You push safety, technology, performance. You need to position a tire to appeal to those segments of the market that care about safety and performance. Otherwise, buying a tire is a price-based decision."

Among tire makers, Michelin is the champion in brand positioning, Mr. Trout said. "Michelin pioneered the radial tire, which is obviously a better and safer tire than what came before," he said. "With the babies (advertisement) and the tagline, 'So much is riding on your tires,' they pre-empted the idea of a safer tire."

That's not to say, however, that other brands haven't exploited safety, technology and performance in their advertising. Goodyear "jumped on the bandwagon" created by the Uniroyal Rain Tire in advertising its Aquatred line of radials, Mr. Trout said, and its support of racing over the years has also given the company a strong reputation for performance and durability.

Coming up next:

- * The factors that go into positioning a tire brand in the marketplace;
- * The tie-in between tires and motorsports is as old as racing itself-but it works; and
- * In a highly competitive environment, how tire dealers position the brands they sell in order to get the best bang for their buck.

GRAPHIC: Cross marketing-such as Goodyear's "Rolling Thunder" program and its Pit Crew Challenge tie-in with NASCAR-can help boost a brand's recognition. * Ehrbar

LOAD-DATE: May 12, 2004

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: JESUS A

Exhibit 41

Take a stroll through; a unique, beachside retail complex and you'll soon see the ... New Colors of Ocean Walk More shops adding to experience News Journal March 21, 2004
Sunday

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News Journal

March 21, 2004 Sunday Final Edition

SECTION: SECTION E; Pg. 1E

LENGTH: 1180 words

HEADLINE: Take a stroll through;

a unique, beachside retail complex and you'll soon see the ... New Colors of Ocean Walk

More shops adding to experience

BYLINE: VALERIE WHITNEY - BUSINESS WRITER

BODY:

New Colors

of

Ocean Walk

DAYTONA BEACH - Two businesses entering Ocean Walk Shoppes in coming months will add another colorful chapter in the life of the shopping and entertainment complex.

California-based burger chain Johnny Rockets and the Bath Junkie will go on the second floor of the four-level 110,000-square-foot complex that opened two years ago as part of a \$200 million revival of the city's core tourism area.

The two colorful businesses will join a mix of eclectic places that use unique approaches to appeal to locals and tourists.

ALWAYS STARBUCKS Of course, no retail complex is complete these days without Starbucks. The coffee shop starts the day for Ocean Walk, opening at 6 a.m. The shop is on the ground floor for easy access from A1A, but it's also a quick walk downstairs from the elevated crosswalk from the parking garage.

True to its reputation, the shop is a Starbucks lover's dream. Coffee, coffee and more coffee, with names like Komodo Dragon Blend and New Guinea Peaberry, line the shelves. There also are gourmet teas, cookies and candies. High-end coffee makers and signature coffee cups also are available.

Fresh pastries in a glass case near the register tempt customers. Two espressos and two brownies can be had for \$7.31.

There is limited seating inside the shop, which was welcomed on the crisp morning that I visited. But when the weather is comfortable, guests might want to consider having their cup of Joe outside.

Just outside and to the immediate right is Cold Stone Creamery, which offers ice cream with a song. The shop is part of an Arizona-based chain known for its fresh, custom-made creations

using premium ice cream and such mix-ins as York Peppermint Patties, roasted almonds and blackberries.

Don't be surprised if the staff is singing when you walk in. For a tip, they'll sing to you, too.

Next up is Bubba Gump Shrimp Co. The eatery takes its name and its eclectic decor from the 1994 movie "Forrest Gump," which starred Tom Hanks.

It's down-home red, white and blue decor is meant to be reminiscent of the movie's setting in Alabama. Photos hang on the walls, along with reproductions of script pages, storyboards and costumes.

Scrawled "Gumpisms" grace the varnished tabletops inside and guests can try on plaster casts of Forrest's running shoes at the famed bus bench out front of each restaurant.

Forrest's life, friends and family are well represented on the menu, which includes such appetizers at Mama Gump's Garlic Bread Basket and Bubba's Far Out Dips. Entrees include Lt. Dan's Drunken Prawns and the Run Across America sampler plate of shrimp and other seafood delights. Gumpberry Cobble, a popular dessert, is enough for two people.

You might want to brush up on your knowledge of the movie. Staff stop by and quiz you as part of their job.

For those who can't get enough Gump, there is a gift shop featuring "Run Forrest Run" T-shirts, caps and license plates. Other items include the official Bubba Gump Shrimp Co. cookbook as well as "Bubba's Backyard Barbecue Feast," described as a succulent meal of spicy shrimp skewers, king crab legs, steaks, clam chowder and more that can be shipped anywhere.

COMES THE NIGHT

The folks who brought us Bubba Gump also are responsible for the Mai Tai Bar next door.

Mai Tai reminds one of a 1940s style lounge with its rattan and koa wood furnishings.

The bar offers live entertainment daily and not one, but two happy hours: the Hula Hour from 4 to 7 p.m. Monday through Friday and a late night happy hour from 9 p.m. to 1 a.m. Monday through Saturday. Appetizers are available including chicken Chinois and coconut shrimp.

Put away your money when entering here. There is no cover charge. After 8 p.m., however,

admission is limited to age 21 and older.

The Mai Tai backs up to the Oceanfront Bandshell making it the perfect place to catch a concert.

Two clothing retailers also occupy space on the first floor. Daytona **Harley-Davidson** sells clothing for men and women, as well as some children's attire with the **famed** Harley **name**. There are four motorcycles on site to help bring out the message but none for sale at this store.

The Maui Nix store sells its trademark surfer/beach wear including shirts, shorts, bathing suits and jewelry. Shoppers also can buy sought-after-premium brands such as Tommy Bahama. In addition, the store sells attire with just the words "Daytona Beach."

A giant version of the Maui Nix mascot, complete with bushy mustache, stands in one window, beckoning shoppers into the store, which is only half a mile from the company's mega store on A1A.

Several kiosks occupy space in the courtyard, including one owned by Sandy Tozetto. For \$10, she will take your picture with one of her two parrots perched on your arm or shoulder.

Another kiosk serves as a sales office for TrolleyBoat Daytona, which boards in front of the Shoppes on A1A.

The second outside level of the complex, which is linked directly to the beachside parking garage, houses two eateries including the Planet Smoothie Cafe, which serves smoothies, wrap sandwiches and soups. The store, however, is temporarily closed because of a family illness.

Adobe Gila's Margarita Fajita Cantina is the other eatery on the second floor. The restaurant has an outdoor bar to catch a cool ocean breeze on hot summer nights as well as a great view of Bandshell concerts. The enclosed section is decorated in a casual, rustic manner, complete with wooden stools and features live music nightly.

The menu features Mexican cuisine such as quesadillas and tacos. Most dishes are less than \$10. Admittance after 10 p.m. is limited to those age 21 and up.

Johnny Rockets will join the second floor menu, providing an all-American diner look and feel, servers who know the secret behind getting ketchup out of the bottle, tabletop jukeboxes that belt out tunes for a nickel and authentic decor, according to the company's Web site.

There is only one retailer on the second level now - the Daytona Beach Candle Gallery. Customers can order personalized candles or choose from the hundreds that line the shelves. Prices start at \$13.50 and up.

But Bath Junkie, which already has one store in Volusia Mall, is planning to open on the second floor, facing A1A.

AT THE MOVIES

The south building of the complex rises three additional levels in the sky and houses the Ocean Walk 10 multiplex cinema. The cinema features all stadium reclining seating,

equipped with popcorn holders and drink holders, as well as all-digital sound. You can walk up or take an escalator from the first level on up.

There are automatic ticket machines if you don't like waiting in line. The cinema accepts credit cards. You can buy goodies at snack bars on both the 3rd and 5th floors inside the theater. There is a gameroom on the fourth floor.

Show times are available online or in newspaper ads. There are discounts for seniors and students with ID.

The city's parking garage is free for the first two hours. Take your ticket with you to the cinema and get it stamped for an extra hour.

Also on the third level, guests of the Ocean Walk Resorts have an entrance.

NOTES:

PUBLISHER: Daytona Beach News-Journal

GRAPHIC: 3 Photos | Photo 1: THOSE ADDICTED TO BATH ACCESSORIES CAN GET THEIR FIX. Spring Breakers Kenya Bradshaw, center, and Elizabeth Blue, both of the University of Tennessee, prepare to have their picture taken with a couple of feathered models by vendor Sandy Tozetto recently. Shoppers will gain a new store to browse soon, with the opening of Bath Junkie, which already has one store in Volusia Mall. | Photo 2: A NEW EATERY ON THE WAY. Mike and Jeannette Davidson, of Philadelphia, enjoy lunch at Bubba Gump Shrimp Co. recently. Soon, visitors to Ocean Walk will have another dining option. California-based burger chain Johnny Rockets will join the line-up, providing an all-American diner feel. | Photo 3: Patrons head into the Maui Nix Surf Shop at Ocean Walk in Daytona Beach. As the Ocean Walk Shoppes expands, so does the revival of the city's core tourism area. News-Journal photos/ NIGEL COOK

LOAD-DATE: January 29, 2005

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325



Exhibit 42

THIS BIKE PROVES BIG IS BETTER; TRIUMPH SAYS ITS ROCKET III WILL GO FROM ZERO TO 60 MPH IN JUST 2.9 SECONDS.; Orlando Sentinel (Florida) February 26, 2004 Thursday, FINAL

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February 26, 2004 Thursday, FINAL

SECTION: RIDE; Pg. F1

LENGTH: 1936 words

HEADLINE: THIS BIKE PROVES BIG IS BETTER;

TRIUMPH SAYS ITS ROCKET III WILL GO FROM ZERO TO 60 MPH IN JUST 2.9 SECONDS.;

BYLINE: Richard Truett, Special to the Sentinel

BODY:

In the fast-growing class of power cruisers, no one really knows yet how big is too big.

Huge cruisers such as the Honda Valkyrie, Yamaha Royal Star and the new Kawasaki Vulcan 2000 have moved motorcycles into an uncharted territory of size.

But now there's a new leader of the pack.

It's the Triumph Rocket III, a 704-pound muscle bike with a 2.3-liter, double-overhead cam and a three-cylinder engine -- the largest displacement engine ever made specifically for a production motorcycle.

How big is the Rocket III's engine? Consider this: Most compact cars have four-cylinder engines in the 1.8- to 2.2-liter range with horsepower ranging from about 100 to 150 or so.

The Rocket III's fuel-injected engine is rated at 140-horsepower -- about equal to the engine in a Mazda Miata. Its pistons are about as large as those in a Dodge Viper. The Rocket III puts a stump-pulling 147 foot-pounds of torque on the ground through a rear tire fat enough for a compact truck.

If none of that impresses you, this might: Triumph claims the Rocket III will go from zero to 60 mph in just 2.9 seconds. That speed hasn't been independently verified yet. But, if it's true, the Rocket III is one of the fastest regular-production, street-legal vehicles -- two wheels or four -- you can buy for any amount of money.

Speaking of price, that's also an eye-opener. Triumph has priced the Rocket III at \$15,990. Sixteen large may seem like a lot for a cruiser, but it really isn't these days. You can drop nearly \$30,000 on a Harley-Davidson Electra Glide. A Honda Valkyrie Rune will put a \$25,000 dent in your bank account. The Victory Arlen Ness Vegas rolls out the door for about \$20,000.

The Rocket III's price has prospective buyers lining up at Triumph dealers with their billfolds drawn. Central Florida's two Triumph dealers, Cycle Riders Orlando and Cycle Riders Longwood, have orders for about half a dozen Rocket IIIs.

In Detroit, where most cruiser riders pledge their allegiance to all-American Harley-Davidson cruisers, 11 deposits have been taken for Rocket IIIs. Triumph estimates that about 300 bikes already have been ordered.

The Rocket III makes its Florida debut during Bike Week in Daytona Beach. You can see the bike free at Daytona International Speedway, 1801 W. International Speedway Blvd. It's part of the Cycle World International Motorcycle Show, which features dozens of new 2004 motorcycles. The show is scheduled to run Tuesday through March 6. For more information, go to motorcycleshows.com.

We know this for sure: The Rocket III is big. It's shockingly fast. But that doesn't mean the Rocket III will last.

If the bike is to be more than just a flash-in-the-pan curiosity, it has to do much more than just blow every other motorcycle into the weeds, according to two well-known experts in the motorcycle industry.

HANDLING IS KEY

To really affirm its place in history, the Rocket III will have to deliver comfort and good handling in addition to its monster engine and power, says Triumph historian Lindsay Brooke, author of three books on the famous British motorcycle marque. "Americans love cubic inches, but outright size alone doesn't guarantee a great vehicle," he added.

Analyst Don Brown says the bike's blinding acceleration is sure to attract a lot of attention, but he wonders how big the market is for a bike like the Rocket III.

"It's a little bit like the car business," says Brown. "Some guys have to have the fastest thing out there, the Porsche, the Lamborghini, the Maserati. How many of those guys are there?"

Brown also says Triumph has to make sure the Rocket III's quality is superb, that it can go around a corner and stop just as well as it accelerates.

Brown says another thing Triumph must do to make the Rocket III a lasting success is shift its marketing efforts into a higher gear.

Since re-entering the U.S. market in 1995 -- after a nearly 15-year absence -- Triumph has established a reputation for building reliable, durable, high-quality bikes. It wasn't always that way.

BANKING ON PAST GLORY

In the 1960s and '70s, Triumph failed to keep up with Japanese manufacturers in quality and performance. That, coupled with labor strife from union workers, doomed Triumph. Also, Japanese manufacturers such as Yamaha built some bikes that copied the Triumph's upright twin-cylinder style, such as the Yamaha XS650.

In the 1970s, Triumph's bikes got a reputation for being dated and for having poor quality. The original Triumph company went bankrupt in 1983. British industrialist John Bloor bought the name and trademarks, built a new factory and then rebuilt the company from the wheels up using new technology.

Since returning to the U.S. market, Triumph has had a few bikes, such as the Thunderbird, Bonneville and Daytona, which have sold reasonably well. But today's Triumph is still a shadow of the company that dominated the market in 1960s.

Brown thinks Triumph could be selling twice as many bikes a year here.

Triumph sold about 5,800 bikes in the United States in 2003 and about 30,000 worldwide. Triumph was on a roll in 2001, selling about 6,600 bikes in the United States that year. Then, in March 2002, a fire nearly destroyed the factory in Hinckley, England. The company built a new plant and had it up and running just six months later.

Somehow, during all the turmoil, development on the Rocket III and another new bike, the cafe racer-influenced Thruxton, continued.

In recent months, Triumph has bolstered its marketing staff, hiring a new worldwide commercial director, Tue Mantoni, based in England, and a new marketing vice president, Todd Andersen, for its U.S. operations located near Atlanta.

Both men have set ambitious goals for Triumph. They think they can increase sales 25 percent each year for the next five years, taking production to the factory capacity of about 80,000 motorcycles per year -- highest in Triumph's 102-year history. They believe Triumph can surpass BMW motorcycles in sales and once again become the most popular line of European motorcycles in America.

For that to happen, the Rocket III will have to be a hit. Triumph will import between 2,500 and 3,000 Rockets in 2004, said Andersen.

SHOCKING POWER

During a recent visit to the factory, Andersen took his first ride on a test model of the Rocket III. A lifelong motorcycle rider, Andersen said he was shocked at the bike's immense power.

"The unique thing about this bike is the way it makes its torque and where it makes it. You are getting about 90 percent of the torque at 1,800 rpm. It makes so much torque right off idle that you don't need to wait for the revs to build to start putting out some real power to the rear wheel," says Andersen. The handling won't disappoint either, he said.

It might seem unusual for a small British manufacturer to outmuscle Harley-Davidson as well as the big four from Japan: Honda, Kawasaki, Yamaha and Suzuki. But after years of just doing OK in the U.S. market, Triumph is determined to break through and get noticed.

About five years ago, Triumph officials met with motorcycle riders in several U.S. cities and asked what they wanted in a power cruiser. Style ranked high. But power and performance topped the list. Andersen says the Rocket III is the first new Triumph designed specifically to American tastes.

The Rocket III's shaft drive, for instance, is ideally suited for the long-distance riding popular with many American motorcyclists. Unlike a chain or belt, the shaft does not need maintenance. Triumph will launch the Rocket III with a full line of touring accessories, such as a windshield and leather saddlebags, for riders interested in cross-country touring.

Triumph officials think the Rocket III has the potential to ignite sales of the company's other models. The Rocket III is expected to draw customers to Triumph dealers, where, the hope is, buyers will take a look at the rest of the lineup, which includes smaller cruisers such as the Speedmaster and Bonneville America, both of which sell for about \$8,000.

"In the 13 years since Triumph's rebirth, the company has not produced a single motorcycle that has led the world in any particular segment," says Brooke, the Triumph historian. It's never had a quickest, a fastest or most of anything.

"By comparison, the original Triumph company was an icon of motorcycle sport, winning countless championships and holding the motorcycle world speed record for 15 straight years. With the Rocket III, Triumph immediately stakes the claim to the biggest engine and that may make it the quickest production motorcycle. Such performance will get motorcyclists interested," he said.

Triumph officials don't yet know who the typical customer is for the Rocket III. Although it is the biggest and fastest Triumph ever, it's also the most expensive bike the company has ever made.

Joe Pane, a salesman at Cycle Riders Orlando, who has sold Triumphs for 10 years, says he thinks the Rocket III will snag a fair share of Harley riders who want a big tough-looking bike with macho performance that isn't Japanese. "It'll be an older buyer, probably between 35 and 55 years old, who has had at least 10 bikes and likes performance cruisers," says Pane.

Since Triumph introduced the Rocket III to its dealers in August, the bike has been displayed throughout the country at motorcycle shows. Triumph officials have been on hand, trying to determine just who is interested in the bike.

"As we go to the bike shows and put this in front of hundreds of thousands of potential customers, we are seeing people of all types. Some folks are coming off sport bikes. They like the idea of a performance machine, but they are getting tired of the impractical ergonomics of a sport bike," says Andersen. Others who have expressed interest are current Triumph owners and Harley riders who are tired of V-twin engines.

Nearly every other cruiser has a V-twin engine, a layout that once was exclusive to Harley. Triumph purposely avoided using the V-twin design for the Rocket III's engine. Since returning to the market, Triumph has made the three-cylinder engine its unique trademark. Also, Triumph avoided the V-twin so that it would not be lumped into the cruiser crowd.

BIG TREND IN MOTORCYCLES

Don Brown, an industry analyst in Irvine, Calif., sees the Rocket III as part of a trend toward bigger, more powerful bikes. "There seems to be something in the wind. Everyone wants a shot at building the biggest, baddest bike."

For a while, at least, the Rocket III will be tough to be beat on size, performance and price. The next-biggest power cruiser available is the Kawasaki Vulcan 2000, which has a 2.0-liter V-twin engine. The bike has a \$15,000 price tag, weighs a massive 820 pounds -- 116 more than the Rocket III -- and its 0-to-60 mph time of 4.12 seconds places it squarely in the Rocket III's rearview mirror.

Triumph's timing couldn't be better. When the company started designing the Rocket III, it

was trying to make a bike that would appeal to American buyers. Triumph didn't know that big displacement cruisers would become a hot trend.

"What I think was fortuitous is that some other folks in the motorcycle industry in parallel started developing bigger bikes," said Andersen.

As for the blistering performance, Triumph will let motorcycle journalists test the Rocket III this spring and draw their own conclusions. "Our test guys have taken it onto the track, and 0 to 60 mph in 2.9 seconds is what they are getting," says Andersen. "I can tell you it sure feels like 2.9 seconds."

GRAPHIC: PHOTO: Muscle -- and lots of it. The Triumph Rocket III is a 704-pound motorcycle with a 2.3-liter, double-overhead cam, a 3-cylinder engine and 147 foot-pounds of torque. It makes its Florida debut this week.

TRIUMPH PHOTO: Priced to sell? Triumph has priced its Rocket III at \$15,990. Though expensive, that's far from the \$20,000 to \$30,000 bikers can spend on other cruisers.

TRIUMPH

BOX: 2004 TRIUMPH ROCKET III

Engine: Water-cooled, 2,294-cubic-centimeter (140-cubic-inch) fuel-injected inline three-cylinder with double overhead camshafts and four valves per cylinder.

Transmission: Five-speed manual with shaft drive.

Brakes: Front, twin four-piston calipers and 320 mm floating discs;

rear, single twin-piston caliper with 316 mm floating disc.

Frame: Tubular steel.

Suspension: Front, 43 mm upside-down forks; rear, twin-sided steel

swingarm.

Wheels: Front, 17-inch cast aluminum; rear, 16-inch cast aluminum.

Performance: Zero-60 mph in 2.9 seconds (estimated). Weight: 704 pounds.

Seat height: 29.1 inches. Length: 97.6 inches. Width: 34.6 inches. Wheelbase: 66.5 inches. Base price: \$15,990. Available: June.

SOURCE: Triumph Motorcycles America Ltd

BOX: BIKE WEEK ACTIVITIES

Main Street in Daytona Beach will once again be the hub of Bike Week activities. Though you will see enough wild beards, colorful tattoos and exotic custom motorcycles on Main Street to last a lifetime, there are plenty of other motorcycle-related events throughout Volusia County from Friday through March 7. The full list of scheduled events, from coleslaw wrestling to racing, is at officialbikeweek.com. Other sites: bikeweek.com, and orlandoharley.com.

Here are a few of the major events:

Antique motorcycles: "The Era of The Motorcycle," a display featuring more than 50 vintage bikes, opens Friday at The Daytona Beach Arts and Sciences Museum, 1040 Museum Blvd., Daytona Beach.

Info: (386) 255-0285 or moas.org/featured-2 .html. For a full list of this year's vintage bike swap meets, races, shows and other events, go to: amadirectlink.com/daytonadi rect/2002/schedule/vintage.asp.

Auctions: Hundreds of antique, classic, restored and historic racing bikes will be up for bid at the annual J. Wood & Co. Daytona Auction. A large stash of vintage Triumph parts will be auctioned March 4; the motorcycle auction is scheduled to begin 1 p.m. March 5. Both events will take place at the Edmunds Center on Pennsylvania Avenue on the campus of Stetson University in DeLand. Information: 352-795-8895 or jwoodandcompany.com.

Biker hangouts: Thousands of bikers will be cruising U.S. Highway 1 from north New Smyrna Beach to Port Orange. Dozens of motorcycle shops, vendors and out-of-state businesses will be set up along U.S. 1, hawking everything that makes Bike Week so popular -- T-shirts, tattoos, boots, tires, chrome parts, greasy sausage sandwiches and loud music. There's also a fair assortment of rumbling burnouts -- both bikers and bikes -- to be seen on U.S. 1.

Harley-Davidson: America's most popular motorcycle company rolls into two locations this year for Bike Week. Demo rides of many of the company's 2004 Harley-Davidson and Buell sport bikes will take place at the Daytona International Speedway, 1801 W. International Speedway Blvd., Monday through March 6. Harley will also bring its traveling museum to the Ocean Center, 101 N. Atlantic Ave. Tuesday through March 6. The Ocean Center also will feature a Harley-only indoor show with parts, accessories and tech sessions. Info: harley-davidson.com.

New motorcycles: Nearly every Asian, European and American manufacturer will offer free demo rides at the Daytona Beach International Speedway, 1801 W. International Speedway Blvd. To ride a demo bike, you need to be a licensed motorcycle rider and have the proper shoes and helmet. Hours and times vary for each manufacturer, but most will offer demo rides during daylight hours from Tuesday through March 6. Check manufacturer Web sites for more information. Races: Several major races are scheduled for Bike Week. The grand finale is the 63rd annual Daytona 200 motorcycle race scheduled for March 6 at the Daytona International Speedway, 1801 W. International Speedway Blvd. Times and ticket info: 386-253-7223 or daytonaintlspeedway.com.

Swap meets: Saturday-Tuesday: Flagler County Fairgrounds, U.S. 1 just north of downtown Bunnell. Here's your chance to sift through thousands of used parts, restorable classic bikes, accessories and leather goods. More parts, bikes and accessories are available during the 26th annual Daytona Swap meet, March 3-7 at the Volusia County Fairgrounds, intersection of Interstate 4 and State Road 44. For information on both events, call 301-336-2100 or go to jam-on.com on the Web.

Richard Truett

LOAD-DATE: February 26, 2004

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: GRIEFE

Exhibit 43

Source: News & Business > Combined Sources > Mega News, US News

Terms: (famous or fame! or well-known) w/10 "harley-davidson" w/10 (name! or brand! or trademark!) (Edit

Search | Suggest Terms for My Search)

Focus: (famous or fame! or well-known) w/10 "harley-davidson" w/10 (name! or brand! or

trademark!) (Exit FOCUS™)

FSelect for FOCUS™ or Delivery



Harley-Davidson Financial Services Revs Up its Dealer Payment System AFP Exchange January, 2004 / February, 2004

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AFP Exchange

January, 2004 / February, 2004

SECTION: Vol. 24, No. 1; Pg. 14-16; ISSN: 15284077

B&H-ACC-NO: 543671121

LENGTH: 1073 words

HEADLINE: Harley-Davidson Financial Services Revs Up its Dealer Payment System

BYLINE: Anonymous

HEADNOTE:

This American legend worked cross-functionally to create an improved payment program and enhance business processes.

2003 AFP Pinnacle Award Grand Prize Winner

ABSTRACT:

Much of whal goes into building on Harley-Davidson's true American success story is teamwork. Behind the bikes, leather and skullcaps is an organization with 100 years of experience developing creative and strategic initiatives that drive the **well-known Harley-Davidson brand. Harley-Davidson** Financial Services (HDFS), a subsidiary of Harley-Davidson, Inc., showed its strength in strategic planning and execution by rolling out EPAY, an Internet-based statement presentation and payment program tor its nationwide Harley-Davidson dealer network. It was because of this achievement that HDFS received the 2003 AFP Pinnacle Award grand prize for innovation in treasury and finance.

BODY:

Much of whal goes into building on Harley-Davidson's true American success story is teamwork. Behind the bikes, leather and skullcaps is an organization with 100 years of experience developing creative and strategic initiatives that drive the **well-known Harley- Davidson brand.**

Harley-Davidson Financial Services (HDFS), a subsidiary of Harley-Davidson, Inc., showed its strength in strategic planning and execution by rolling out EPAY, an Internet-based statement presentation and payment program tor its nationwide Harley-Davidson dealer network. It was because of this achievement that HDFS received the 2003 AFP Pinnacle Award grand prize for innovation in treasury and finance. [See "Harley-Davidson Financial Services Makes \$10,000 Donation to Children's Charity" on page 16.]

Defining the Solution

EPAY did not evolve overnight. First, after assessing its receivables processing system - a traditional lockbox approach - HDFS realized it needed to reduce cosls associated with traditional receivables processing and increase its cash intake cycle. Simultaneously, the company sought to bring added incentives and value to the nationwide dealer network. The goal was straightforward: Create an Internet-based statement presentment and payment program.

Next, a cross-functional process improvement team, consisting of Operations, Treasury, Marketing, Sales, Legal and Technology, reviewed billing and cash application processes, and identified improvement areas. Team members met with representatives from the dealer network several limes in order to understand dealers' needs and concerns regarding existing billing processes.

One priority the team identified was to shrink the number of errors and exceptions of a traditional lockbox, while improving the quality of customer service stakeholders received. HDFS knew that in order for dealers to use the system effectively, the format needed to be simple and efficient. After months of review, HDFS partnered with a lockbox provider to create the Internet-based payment solution. Thus, the aptly named EPAY (short lor electronic payment) was born.

EPAY is a secure online service that allows dealers to view and pay invoices. On a daily basis, HDFS electronically loads dealer invoices and payment remittances to the EPAY system. Via a user ID and password, dealers can view status updates on each invoice. The dealer can then select the invoices he would like to pay and remit the payment to HDFS via an automated clearing house transfer.

As with many key initiatives, communication was critical to the success of the project. Internal communications began with executive sponsorship and commitment from every employee associated with EPAY's implementation. Each employee took ownership of the product and became an expert in its fundamentals.

The Rockin' Rollout

In keeping with the Harley-Davidson image, HDFS needed to make this product fun, exciting and essential to the success of their dealers. EPAY took on its own unique identity, complete with a CD-ROM set to classic rock and roll tunes, branded t-shirts, mugs, and magnets, which made the rollout entertaining for both external customers and internal staff.

But, as with any new innovation, it's taken several years to bring EPAY to its current state. The initial launch took place in March 2000 and consisted of six pilot dealers that made payments and offered feedback on the service. By July of 2000, the entire dealer network

joined in and the enrollment statistics speak to the program's success: By the end of 2003, 100% of dealers were enrolled in EPAY.

As the demand for the initial product offering grew, HDFS explored additional functional enhancements to the EPAY service to make it more attractive and convenient for the dealer network to use. In July 2002, EPAY re-launched with a new look, improved functionality, and a promise for continuous enhancements.

The entire dealer network seamlessly transitioned to the new version in January 2003. It was a significant achievement to replace an entire "production" system while maintaining existing service levels and dealer satisfaction.

Money in the Bank

HDFS has realized significant cost savings from this initiative: \$1.15 on each transaction, saving approximately \$50,000 a month, or \$600,000 annually. The company saves another \$10,000 per year through reductions in accounting paperwork, which includes off-site storage, filing and mailing. And, EPAY's ability to handle increasing receivables volume with no additional headcount saves a minimum of \$80,000 each year.

Additionally the ability to post almost 100% of incoming payments automatically versus the typical lockbox rate of 70% eliminates almost all manual intervention by internal accounting staffers.

Assessing the Ride

This product launched successfully for many reasons, but the first is the zest and drive of the dealer network. Harley-Davidson dealers are competitive by nature and many wanted to be the first to use EPAY. The company used this characteristic to its advantage and continuously communicated with dealers regarding the enrollment numbers, who was using the program, and the amount of cash they transmitted through it. And once dealers experienced the benefits themselves, they committed to the "ride."

A final key to success was gaining the commitment and dedication of HDFS employees to improve processes. Without understanding the needs of, and benefits to, both the company and the dealer network, the project would have floundered, failing to meet its goal. Instead, a tried and true process of teamwork, and a long history of developing strategic initiatives provided this American icon with a true, bottom-line success story.

GRAPHIC: IMAGE GRAPH, 100% of Dealers Enroll in EPAY; IMAGE PHOTOGRAPH, HDFS' Perry Glassgow and Al Ely (holding trophies, L-R) accepted the 2003 AFP Pinnacle Award from Wachovia's Ranjana Clark and AFP's Jim Kaitz during the Opening General Session at the AFP Annual Conference in November.; IMAGE PHOTOGRAPH, AFP Board Member Debi Herman (far right) and Wachovia's Roger Pearce (second from left) joined HDFS' Al Ely (left) as he presented a \$10,000 donation to the Collin County (TX) Children's Advocacy Center (CCCAC). Accepting the check were CCCAC Board Vice President Wendy Engibous and CEO John Ernst.

SIDEBAR:

Al Ely, Vice President of Wholesale Operations

Perry Glassgow

Vice President and Treasurer

Harley-davidson

Financial Services, Inc.

Both Sides of the Spectrum Profit

Benefits to HDFS

- * Decreased paperwork related to processing payments
- * An automated cash application process
- * The ability to handle increasing receivables volume without additional headcount
- * A 30% increase in the accuracy of posting incoming payments up to a perfect 100%

Benefits to Dealer Network

- * Access to a secure, easy and efficient way to make single or multiple payments online
- * Updated information on a daily basis
- * A reduction in errors related to processing payments
- * Improved cash flow management
- * Savings resulting from a reduction in postage, envelopes and checks

Harley-Davidson Financial Services Makes \$10,000 Donation to Children's Charity

On November 9, 2003, Harley-Davidson Financial Services, Inc. (HDFS) presented a \$10,000 donation to the Collin County (Texas) Children's Advocacy Center (CCCAC) during the charity's annual Teddy Bear Ride in Piano, TX. The check presentation was made possible after HDFS won the 2003 AFP Pinnacle Award grand prize for innovation in treasury and finance, and \$10,000 to donate to a charity of its choice, provided by award sponsor Wachovia Bank, NA.

"We are grateful to have such a generous partner in Harley-Davidson Financial Services to help advance the vision of the Collin County Children's Advocacy Center," said the center's CEO John Ernst. "This donation will help achieve our mission to take action to identify, protect and improve the lives of abused and neglected children. Last year alone, we offered services to 3,000 children."

"At Wachovia, we believe deeply in qualities the Pinnacle Award recognizes: A commitment to innovation and creativity in provision and application of treasury services. We are proud to sponsor this award for the seventh consecutive year," said Roger Pearce, Wachovia Bank's executive vice president and head of client management, treasury services. "HDFS' EPAY application is a prime example of how technology and teamwork can improve efficiency, and create solutions for every day treasury challenges."

AFP thanks Wachovia for its continued sponsorship and commends HDFS for achieving this

high honor.

LOAD-DATE: May 12, 2004

Mark: (HOLY DIVINESON

Owens & Minor Ranks First in the 2003 InformationWeek 500 PR Newswire September 23, 2003 Tuesday

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September 23, 2003 Tuesday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS, HEALTH/MEDICAL AND TECHNOLOGY EDITOR

LENGTH: 991 words

HEADLINE: Owens & Minor Ranks First in the 2003 InformationWeek 500

BODY:

Virginia-Based Medical and Surgical Supply Distributor Achieves Top Ranking for the Second Time; Marks Fourth Year in a Row As The Leading Healthcare Company on Prestigious List

RICHMOND, Va., Sept. 23 /PRNewswire-FirstCall/ -- Owens & Minor (NYSE: OMI $_{\bullet}$) announced today that it was ranked No. 1 in the InformationWeek 500, a prestigious annual listing of the most innovative users of information technology in the United States. Owens & Minor led all companies in the survey for the second time in three years and was the leader among healthcare companies for the fourth year in a row.

"We are delighted to receive this recognition for the second time," said G. Gilmer Minor, III, chairman and chief executive officer of Owens & Minor. "Although technology is not our primary business, it is a critical component in our ability to help our customers be more efficient and reduce costs. We are constantly seeking new and more innovative ways to help our customers succeed, which, in turn, will make us more successful. We not only use our innovative technology to help our customers, we also use it to make a dramatic and positive impact on the productivity of our internal operations. We are very pleased to be at the top of this prestigious group."

For 15 years, InformationWeek, a publication of CMP Media LLC, has tracked the IT agendas of the nation's best-known companies. The annual ranking surveys companies that demonstrate a pattern of technological, procedural, and organizational innovation. In its survey, InformationWeek examined core areas of operations including IT budgets, technology deployment, e-business, customer knowledge, infrastructure, and business and technology strategies. Owens & Minor led the way among other **well-known** companies such as General Motors, FedEx, and **Harley-Davidson.** In all, 27 healthcare and medical companies were **named** to the InformationWeek 500, including several Owens & Minor supply chain partners.

"The InformationWeek 500 are a major force in the U.S. economy," said Stephanie Stahl, editor of InformationWeek. "Collectively, this year's 500 businesses will spend nearly \$177

billion on technology tools, products and services. We expect this commitment to continue into 2004, when we estimate that the InformationWeek 500 will spend \$185 billion to establish and move technology initiatives forward."

The InformationWeek 500 is the most detailed source of industry-specific IT budget data. The research project gathers in-depth information directly from companies about how they approach and prioritize their IT investments. The research identified and ranked the companies following an extensive online and telephone survey.

Owens & Minor, Inc., a FORTUNE 500 company headquartered in Richmond, Virginia, is the nation's leading distributor of national name brand medical and surgical supplies. The company's distribution centers throughout the United States serve hospitals, integrated healthcare systems and group purchasing organizations. In addition to its diverse product offering, Owens & Minor helps customers control healthcare costs and improve inventory management through innovative services in supply chain management and logistics. The company has also established itself as a leader in the development and use of technology. For news releases, or for more information about Owens & Minor, visit the company's Web site at www.owens-minor.com.

InformationWeek helps more than 440,000 business-technology professionals who buy, build, and manage technology drive business innovation powered by technology. In addition to the weekly magazine, InformationWeek provides a platform of information solutions, including InformationWeek.com; InformationWeek Research; InformationWeek Events, which includes the InformationWeek Conference for business-technology executives; and the InformationWeek Daily, an E-mail news service. In May 2003, in conjunction with Optimize, InformationWeek launched its Media Network. The Media Network consists of Optimize, Government Enterprise, and Healthcare Enterprise, as well as its Vertical Industry Network publications, Bank Systems and Technology, Insurance and Technology, and Wall Street and Technology. InformationWeek is consistently recognized for its commitment to excellence and innovation, receiving several of the industry's top media accolades, including top spots in Technology Marketing's Influencers Report, BtoB Magazine's annual Media Power 50, as well as awards from ASBPE.

CMP Media LLC (<u>www.cmp.com</u>) is a leading high-tech media company providing essential information and marketing services to the entire technology spectrum -- the builders, sellers, and users of technology worldwide. Capitalizing on its editorial strength, CMP is uniquely positioned to offer comprehensive, integrated media solutions tailored to meet marketers' individual needs. Its diverse products and services include newspapers, magazines, Internet products, research, direct-marketing services, education and training, trade shows and conferences, custom publishing, testing, and consulting.

Safe Harbor Statement

Except for the historical information contained herein, the matters discussed in this press release may constitute forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected. These include the rate at which new business can be converted to the company, intense competitive pressures within the industry, success of strategic initiatives discussed, changes in customer order patterns, pricing pressures, changes in government funding to hospitals and other healthcare providers, loss of major customers, and other factors discussed from time to time in the reports filed by the company with the Securities and Exchange Commission. The company assumes no obligation to update information contained in this release.

SOURCE Owens & Minor, Inc.

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URL: http://www.prnewswire.com

LOAD-DATE: September 24, 2003

Mark: CARISTO

High gear; Harley-Davidson celebrates 100 years CBS News Transcripts August 31, 2003 Sunday

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SHOW: Sunday Morning (9:00 AM ET) - CBS

August 31, 2003 Sunday

TYPE: Profile

LENGTH: 1959 words

HEADLINE: High gear; Harley-Davidson celebrates 100 years

ANCHORS: CHARLES OSGOOD

REPORTERS: RANDALL PINKSTON

BODY: HIGH GEAR

Announcer: It's SUNDAY MORNING on CBS, and here again is Charles Osgood.

CHARLES OSGOOD, host:

William Harley and Arthur Davidson did not invent the motorcycle, but what they did create in a tiny wooden shed in Milwaukee a century ago was an American icon. Randall Pinkston shifts into High Gear for this tribute to the Harley-Davidson.

(Footage of people riding motorcycles)

RANDALL PINKSTON reporting:

(Voiceover) When you spot a motorcycle in your rear-view mirror, what's your first reaction? Is it a sense of adventure, symbolized by the 1970s film "Easy Rider"?

(Excerpt from "Easy Rider")

PINKSTON: (Voiceover) Or are you a little nervous? Could that be a Hell's Angel on your tail?

(Footage of Hell's Angels; people riding motorcycles; Harley-Davidson logo)

PINKSTON: (Voiceover) Relax. That motorcycle rider could be your kid's orthodontist, or your car mechanic, and a lot of them are in a very good mood this weekend, as they celebrate the 100th birthday of an American icon, the Harley-Davidson.

(Footage of David Uhl riding his motorcycle)

Mr. DAVID UHL (Harley-Davidson Artist): (Voiceover) It's probably the closest thing you can

get to flying.

PINKSTON: (Voiceover) As David Uhl travels along the foothills of the Rockies near his home, his passion for the motorcycle is obvious.

Mr. UHL: There's a feeling and a sense of being freer than you've ever been in your life.

PINKSTON: (Voiceover) And to Uhl, a motorcycle is more than a great ride. It's a source of artistic inspiration.

(Footage of Uhl painting; hanging painting in gallery; paintings by Uhl; Uhl's house)

Mr. UHL: (Voiceover) The Harley-Davidson is a very special motorcycle because it has a certain type of geometry that lends itself to being beautiful.

PINKSTON: (Voiceover) Yes, he said beautiful. For the past four and a half years, Uhl has produced more than 40 paintings, all starring the Harley-Davidson. Some have sold for nearly \$50,000, allowing him to build this impressive house and studio outside Denver.

Mr. UHL: We call this "A Call of the Wild."

(Footage of Harley-Davidson T-shirt designs; Uhl's paintings)

PINKSTON: (Voiceover) Uhl began by designing those black Harley T-shirts with eagles and dragons and wolves. Then he turned to a larger canvas, paying tribute to the motorcycle's role in our nation's history, born in the same era as the airplane and the automobile. His paintings range from trips to the countryside in the 1900s to racers...

Mr. UHL: She's on a 1926 single.

PINKSTON: (Voiceover) ...and flappers in the '20s, to this woman lounging on her Harley in the '50s.

Mr. UHL: Women are soft and curvaceous creatures, and then the bike is a hard-edged kind of sexy machine, and put them together, and you've just got a dynamite combination, you know?

PINKSTON: (Voiceover) When it comes to motorcycles, he's compared to Norman Rockwell.

Mr. UHL: In the motorcycling world, my take on it is more about the feelings that it inspires.

PINKSTON: (Voiceover) He's not alone.

(Footage of Scott Jacobs; paintings by Jacobs)

Mr. SCOTT JACOBS (Harley-Davidson Artist): This painting here is called "A Hundred Great Years."

PINKSTON: (Voiceover) Californian Scott Jacobs has turned out 162 Harley paintings over the last decade.

Mr. JACOBS: This is basically a time line of all the most important motorcycles in Harley's first 100 years.

(Footage of Jacobs; paintings by Jacobs)

PINKSTON: (Voiceover) Scott Jacobs has been riding since he was a teen-ager. He loves the motorcycle as a machine. His work is filled with detail--glittering chrome, powerful engines, brilliant colors.

Mr. JACOBS: I think the motorcycle is definitely a part of the American fabric. It's loved by so many.

(Footage of motorcycle art exhibit)

PINKSTON: (Voiceover) At a recent art exhibit in Denver, the motorcycles were not only parked outside, they were also on display inside, admired by men in black T-shirts and beards...

Unidentified Man #1: Oh, it's classic.

PINKSTON: (Voiceover) ...and also by the corporate crowd and country-club set.

Unidentified Woman #1: That--that seat is totally different.

(Photograph of early Harley-Davidson shop)

PINKSTON: (Voiceover) The hog has come a long way from its humble beginnings.

Mr. ED YOUNGBLOOD (Curator, Motorcycle Hall of Fame): This is a full-scale replica, 10 feet by 15 feet, of the wooden shed that was built in the back yard of the Davidson home in Milwaukee.

(Footage of Ed Youngblood; Motorcycle Hall of **Fame** Museum)

PINKSTON: (Voiceover) Ed Youngblood is the curator of the "Heroes of **Harley-Davidson**" exhibit at the Motorcycle Hall of **Fame** Museum in Ohio.

(Photographs of early **Harley-Davidson** motorcycles)

Mr. YOUNGBLOOD: (Voiceover) All they wanted was something that would get them to the fishing hole quicker. But it turned into one of the leading motorcycle companies in the world.

PINKSTON: (Voiceover) Early in the 1900s, people accustomed to riding horses suddenly took to riding these motorized bicycles.

Mr. YOUNGBLOOD: (Voiceover) Until 1915, there were more than 200 brands, and all that came to an end when Henry Ford created the Model T, and there--there was just no choice in--in what Americans were going to buy.

PINKSTON: So why ride on two wheels when you could ride on four?

(Photograph of early Harley-Davidson motorcycles; footage of motocross; people riding motorcycles)

Mr. YOUNGBLOOD: (Voiceover) Excitement. From that point on, the motorcycle ceased to be a utilitarian vehicle and became a vehicle for enjoyment, excitement and fun, and that's what it still is today.

PINKSTON: (Voiceover) Last year, one million motorcycles were purchased in the United States, the 10th straight year of increased sales. Japan dominates the fast-growing motocross and racing market. Harley-Davidson trails Honda, but sells more of the big highway bikes.

(Photograph of William G. Davidson; footage of Davidson and others at exhibit)

PINKSTON: (Voiceover) And no one in America has done more to promote the sport than 70-year-old William G. Davidson, grandson of one of Harley-Davidson's founders.

Mr. WILLIAM G. DAVIDSON (Grandson of Harley-Davidson Founder): Hey!

Mr. UHL: How are you?

Mr. DAVIDSON: How the hell are you?

Mr. UHL: Good to see you.

PINKSTON: (Voiceover) He began Harley's art program.

Mr. DAVIDSON: I've always felt that a Harley-Davidson was mechanical art, a rolling sculpture.

Unidentified Man #2: Willie G., it's a pleasure to meet you.

Mr. DAVIDSON: Hi. How are you?

Unidentified Man #2: Pleasure to meet you.

PINKSTON: (Voiceover) Willie G., as he's known, is a cult figure among Harley owners.

Mr. DAVIDSON: V-Rods!

Unidentified Woman #2: Oh, yeah.

Mr. DAVIDSON: OK.

(Photographs of Davidson)

PINKSTON: (Voiceover) He helped save the company from bankruptcy in the 1980s with his designs and insistence on high quality. Along the way he cast off his coat and tie and opted for a different look.

Mr. DAVIDSON: There's a little bit of rebel in all of us, and I believe that. I tell you what, you go in your closet, you put on your leathers, you walk out in the garage and you swing a leg over that Harley...

(Footage of motorcycle starting up; person riding motorcycle)

Mr. DAVIDSON: (Voiceover) ... you crank it up, and you hear that beautiful sound, and you're off in the boonies with your leathers on, and yeah, people do notice you.

And that's part of the magic also.

(Footage of World War II aerial combat; vintage photograph of man in bomber jacket)

PINKSTON: (Voiceover) The leather look has its roots in World War II, when returning American fighter pilots jumped on motorcycles and took their leather jackets with them.

(Footage from "The Wild One")

PINKSTON: (Voiceover) Some carried the enthusiasm too far. The 1954 movie "The Wild One," starring Marlon Brando, was based on the trashing of a California town by some of those returning vets. The outlaw image was born.

(Footage of bikers)

Mr. DAVIDSON: (Voiceover) In any sport or any major activity where you're dealing with a-a hell of a lot of people, you're going to have a--a group that maybe abuses what they shouldn't abuse, and, of course, the press goes nuts and they love it, and that thing just has legs that won't go away.

PINKSTON: (Voiceover) To be sure, it won't go away, because there's also a darker side of motorcycling.

Law enforcement classifies some groups as outlaw gangs and accuses them of being involved in organized crime.

(Footage of raid on Hell's Angels clubhouse; Youngblood and Pinkston)

PINKSTON: (Voiceover) And it's more than an accusation. In June, federal agents raided a Hell's Angels clubhouse in San Diego and arrested some of its members on charges of gun violations and drug trafficking. Ed Youngblood, who led the American Motorcycle Association for almost 20 years, says it's unfair to tar millions of motorcyclists with the sins of a few.

Mr. YOUNGBLOOD: I'm familiar with the FBI reports on this, but I would point out that doesn't necessarily have anything to do with motorcycling. That has to do with--with criminal behavior and lawlessness.

(Excerpt from Harley-Davidson TV commercial)

PINKSTON: (Voiceover) Even Harleys' TV commercials seem to acknowledge, even embrace, the motorcycle's tough-guy reputation.

(Footage of Malcolm Forbes; hot-air balloon; motorcycles)

PINKSTON: (Voiceover) But the bad-boy motorcycle image is fading, thanks in part to the late Malcolm Forbes, founder of Forbes magazine and an avid motorcycle rider.

Mr. YOUNGBLOOD: (Voiceover) Malcolm Forbes probably had more influence than any other individual in making motorcycles fashionable and acceptable among upscale Americans.

(Footage of people riding motorcycles; Mercedes Ross)

PINKSTON: (Voiceover) More than 20 million Americans now ride motorcycles, and more and more of them are women, and they're not just hanging on for the ride. Mercedes Ross, who also customizes motorcycles, says misconceptions about women bikers are changing.

Ms. MERCEDES ROSS (Motorcycle Customizer): When people walk into my shop, especially tourists who are not motorcycle-minded, they come in and they go, 'Oh, you're so nice,' and they're surprised.

(Footage of motorcycle rally; footage from "American Chopper")

PINKSTON: (Voiceover) Hundreds of thousands attend motorcycle rallies each summer. Others turn on a growing number of motorcycle programs which are becoming a staple on television, like the **popular** "American Chopper" on the Discovery Channel.

(Footage of **Harley-Davidson** art exhibit; visitors at exhibit)

PINKSTON: (Voiceover) So it shouldn't be surprising that a group of Denver enthusiasts gathered this summer to celebrate 100 years of Harley-Davidson.

Mr. DAVIDSON: I met this guy in Sturgis once.

PINKSTON: (Voiceover) And in the middle of it all was Willie G...

Mr. DAVIDSON: Really cool.

PINKSTON: (Voiceover) ...in his own words, the ultimate gear-head. He says America's love affair with the motorcycle shows no sign of ending.

(Footage of people riding motorcycles)

Mr. DAVIDSON: (Voiceover) A motorcycle ride is an adventure. It's--it's always a journey that's equally as important as the destination. So there's an emotional charge about getting on one of these great bikes and running across the country.

(Footage of toddler with motorcycle toy)

PINKSTON: (Voiceover) A journey that for some can't start soon enough.

(Visual of SUNDAY MORNING sun logo; footage of SnoBall being prepared)

OSGOOD: (Voiceover) Next...

Unidentified Woman: A medium wedding cake cream and strawberry cream.

OSGOOD: (Voiceover) ...the SnoBalls of summer.

(Announcements)

LOAD-DATE: September 1, 2003



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GUST 4, 2003

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Readers Report

ALTERNATE ENDINGS FOR TINSELTOWN'S DIGITAL DRAMA

Certainly there are enough smart people in Hollywood to figure out that revenues and profits will be maximized when first-run movies can be electronically distributed to homes immediately upon release ("Hollywood heist," Cover Story, July 14). The studios should take full advantage of their advertising dollars and charge \$30-plus per movie within the first 30 days of release, and scale

it back to say \$5 after three or four months.

I'll gladly pay \$30 to download a movie whose trailer I just saw on TV. Heck, my current cost is \$75: \$50 for the sitter and at least \$25 for the tickets and goodies. Offering newly released movies over the Web could be the greatest thing to happen to Hollywood since the video craze.

Chris Golec Kentfield, Calif.

Hollywood's problem is too much greed and slow adaptation to the digital world. The Apple iTunes Music Store model proves that consumers will buy products that are priced right. There are simply too many middlemen making lots of money with the old-fashioned distribution model. Instead of rapidly adopting to technological changes and giving us CD and DVD burner kiosks in every mall where we can get what we want at a reasonable price, the entertainment industry hires lawyers and tries to keep the old business model fully functional in the Digital Age.

Martin Grubner Burlington, Mass.

The fact that CD sales fell during the period when digital audio technology became widely available does not prove causality. CD sales were kept at "unnatural" levels from 1983 to 1999 by the baby boomers, who gradually repurchased, in the new format, music already owned on vinyl. But by 1999, boomers had repurchased all the material they ever wanted, including many overlapping compilations containing many unwanted duplicates. (I count no less than eight copies of Hey Paula in my collection!)

> Malcolm Hamer New York

Your article focused on what the victims of piracy must do to protect their product and their income. There was no discussion of the immorality of the criminals who pirate the movies or buy from the pirates. It is as if there is no crime if it is cybercrime. It's somehow different from someone stealing a disk from the video store-it's

a delicate suburban stunt as opposed to a brutal urban robbery. People stealing movies or audios are criminals. We should not praise their ingenuity.

Byron Furseth Houston

The final sentence of "Hollywood people what they want." What they re-



heist" ends: "...you have to give the ally want is something for nothing. I am in the production business, so I am very afraid that the product of my work and investment will be stolen by these very petty thieves. Yes, we need to give them what they want, but they also

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3844

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The McGraw Hill Companies

BusinessWeek

AUGUST 4, 2003 (ISSN 0007-7135) *

AUGUST 4, 2003 (ISSN 0007-7135) * 38.44

Prédichet wreitly, estays for one week in January and one in Auspat and an additional liste the first week of April, by The Meisrae-Hill Companies, Inc. Founder, James H. Micraw-(1803-1984).

Eventive, Edisonic Greuktion, and Advertising Offices: The McGrew-(Hill Companies Bulking, 122 A venue of the American, New York, N.Y. 1903. Telephone: 223-52; 2 years 1203-1203. Inc. 2 200-2005, in rate: 1 year 223-52; 2 years 2005-123 years 2016-1230-1240. U.S. advertigion rate: 1 year 223-52; 2 years 2008-1235-52 years 2008-1235-58; Mexico Subscription 1 year U.S. 152-00, Bread 1 years U.S. 152-00, doubt of U.S. 152-00, hearing 1 year U.S. 152-00, Doubt of U.S. 152-00, hearing 1 years 1.S. 152-00, October of U.S. 152-00, hearing 1 years 1.S. 152-00, October of U.S. 152-00, hearing 1 years 1.S. 152-00, October of U.S. 152-00, hearing 1 years 1

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THE 100 TOP BRANDS

Here's how we calculate the power in a name

able global brands, we set three hurdles that all contenders have to meet to merit consideration. First, they must have brand values greater than \$1 billion. They also have to be global in nature, meaning they must derive at least a third of their sales from outside their home countries and have significant distribution throughout the Americas, Europe, and Asia. Finally, they must have publicly available marketing and financial data. That excluded some big brands, such as Visa International, the BBC, and Mars.

How do you place a value on a brand? Some attempts rely on little more than opinion polls or ad spending. Business Week selected Interbrand's method because it values brands the same way analysts value other assets: on the basis of how much they're likely to earn in the future. Those projected

profits are then discounted to a present value based on how risky the projected earnings are—that is, the likelihood that they will, in fact, materialize.

To start the process, Interbrand first figures out what the brand's overall sales are. (The brand may be almost the entire company, as in the case of McDonald's Corp. For others, such as Marlboro, it may be just a portion.) Next, with the help of analysts from J.P. Morgan Chase & Co., Citigroup, and Morgan Stanley, Interbrand projects net earnings for the brand. It then deducts a charge for the cost of owning the tangible assets, on the theory that whatever income is generated beyond that cost is due to intangible factors. This is the economic value added by things like patents, customer lists, and, of course, the brand.

The next step is to winnow the earnings generated by the brand from the

earnings generated by other intangibles. For example, are people buying Shell gasoline because of the brand name or because the gas station is conveniently located? Interbrand uses market research and interviews with industry executives to sift through those variables.

The final phase is to analyze the strength of the brand to figure out how risky those future brand earnings are. To calculate the brand's strength, Interbrand looks at seven factors, including the brand's market leadership, its stability, and its ability to cross geographic and cultural borders. The risk analysis produces a discount rate that is applied to the brand earnings to come up with a net present value. Business-Week and Interbrand believe this figure comes closest to representing the true economic value of that complex array of forces that make up a brand.

The Global Brand Scoreboard

RANK	2003 BRAND VALUE	2002 BRAND YALUK SBRUOK	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
1 COCA-COLA	\$88110RS 70.45	69.64	+1%	U.S.	New variations such as Vanilla Coke and a lemon-flavored diet drink helped the soft-drink icon remain bubbly.
	65.17	64.09	+2	U.S.	The software giant shifted its advertising to build the brand, not just sell products, at a time when most rivals were suffering.
2 MICROSOFT	51.77	51.19	+1	U.S.	Big Blue gained recognition in new markets, partly thanks to an \$800 million marketing campaign pushing e-business on demand.
3 IBM	42.34	41.31	+2	U.S.	Getting double-digit growth is harder, but in tough times, the brand that Edison built held its own.
4 GE	31.11	30.86	+1	U.S.	With Intel Inside and Wi-Fi out to take over the world, the chipmaker's Centrino wireless notebook package delivered a powerful punch.
5 INTEL	29.44	29.97	-2	Finland	Still the world's leading mobile-phone maker, Nokia faced stiff challenge from fast-riser Samsung and a growing crop of operator-branded phones.
6 NOKIA		29.26	-4	U.S.	Not the Happiest Place on Earth as Disney Stores were up for sale, ABC overhauled prime time, and travel woes sapped theme parks.
7 DISNEY	28.04	26.38	-6	U.S.	Mixed-up orders and dirty restaurants hurt the brand. Now business is recovering somewhat behind a renewed focus on service and salads.
8 McDONALD'S		24.15	-8	U.S.	Under siege from smoking bans and lawsuits, the Marlboro Man was looking like a fugitive.
9 MARLBORO 10 MERCEDES	22.18	21.01	+2	Germany	The luxury auto maker crafts the sumptuous sedans the rich and famous love to buy—and ordinary consumers dream of owning.

1 TOYOTA 2 HEWLETT-PACKARD 3 CITIBANK 4 FORD L5 AMERICAN EXPRESS	\$8410KS 20.78 19.86 18.57	BRAND VALUE \$BILLIONS 19.45	change +7	OWNERSHIP	
2 HEWLETT-PACKARD 3 CITIBANK 4 FORD	19.86		+7		Always solid, if stodgy, Toyota stole a march on Honda with aggressive moves
3 CITIBANK		1670.		Japan	Aways solid, it study, to be and low-priced models for younger buyers. Many feared the next Titanic when it acquired Compaq last year, but HP
4 FORD	18.57	16.78	+18	U.S.	emerged relatively unscathed and more profitable than before.
		18.07	+3	U.S.	Latest phase of its successful live natiny Campagn in the advantage of the state of
E AMERICAN FYPRESS	17.07	20.40	-16	U.S.	lineup: snazzy new SUVs from Japan and Europe are stealing more thunder
S WILL LANGE FULL FACE	16.83	16.29	.+3	U.S.	American Express punched up ad spending to target retail customers. Now they use cards to pay for groceries, gas, even rent.
IG GILLETTE	15.98	14.96	+7	U.S.	In an era of falling consumer prices, the King of Blades still managed to get shavers to pay premium prices.
17 CISCO	15.7 9	16.22	-3	U.S.	It played the downturn beautifully to generate record profits. But the brand was still mired in the networking depression that followed the Net boom.
18 HONDA	15.63	15.06	+4	Japan	Sagging sales in its home Japanese market have yet to dent its renown for reliable, dependable products.
19 BMW	15.11	14.43	+5	Germany	The Ultimate Driving Machines are fast, fun, stylish—and now come in mor flavors. A rapidly expanding lineup primed global growth.
20 SONY	13.15	13.90	-5	Japan	Still the platinum brand in gizmos, but rivals Panasonic and Samsung we catching up with snazzy cell phones, digital cameras, and flat-panel TVs.
21 NESCAFE	12.34	12.84	-4	Switzerland	The world's favorite instant coffee advertised heavily to attract younger coffee drinkers.
22 BUDWEISER	11.89	11.35	+5	U.S.	The King of Beers continued to swipe market share, despite rivals' wack ad campaigns built around twins and female mud wrestling.
23 PEPSI	11.78	11.14*	+6	U.S.	With innovations like Twist, Wild Cherry, and Pepsi Blue, this fizzy rival was determined to catch up with Coke.
24 ORACLE	11.26	11.51	2	U.S.	The software giant had always been a Silicon Valley maverick. Now add "corporate raider" to the long list of adjectives.
25 SAMSUNG	10.85	8.31	+31	S. Korea	Riding the electronics industry's shift to digital products, it wowed consumers with a blizzard of feature-packed gadgets and leading-edge chi
26 MORGAN STANLEY	10.69	11.21	-5	U.S.	Once a seemingly invincible white-shoe firm, it struggled to rise above Wall Street's scandals involving analysts' investment-banking conflicts.
27 MERRILL LYNCH	10.52	11.23	-6	U.S.	Merrill sought to escape the tarnish of scandals, while its retail business tried to move beyond its rep as a thundering herd of brokers.
28 PFIZER	10.46	9.77	+7	u.s.	A master acquirer and marketer, it leveraged a stable of top-selling drug that includes Viagra and Lipitor, the world's sales leader.
29 DELL	10.37	9.24	+12	U.S.	Annoying pitchman Steven is gone, but that didn't slow the pace of PC sales or assaults on new markets like printers and PDAs.
30 MERCK	9.41	9.14	+3	U.S.	Patent expirations dampened earnings growth, but Merck continued to cultivate its image as a research leader.
31 JPMORGAN	9.12	9.69	-6	U.S.	Viewed by many as the banker's bank, it suffered from corporate scandals an slump in mergers and IPOs. Heavy exposure to derivatives is also a dark cloud
32 NINTENDO	8.19	9.22	-11	Japan	This former master of the video-game universe saw its empire shrink in the wake of an onslaught from Sony's PlayStation and Microsoft's Xbox
33 HIKE	8.17	7.72	+6	v.s.	An extreme marketing effort during soccer's World Cup and tie-in to Tig Woods showed there's more to sporting goods than basketball shoes.
34 KODAK .	7.83	9.67	-19	U.S.	Steadily falling film sales and a sputtering digital strategy could mean that Kodak's moment has passed.
35.SAP	7.71	6.78	+14	Germany	Behind sharper marketing and a strong sailing tie-in, the German soft giant survived the tech downturn looking more solid than ever.
	7.69	7.41	+4	U.S.	Bright colors and a fresh new ad campaign helped lift it out of a sales swoon.
36 GAP	7.57	+	N/A	Britain	The 138-year-old lender's frugal management built the world's second-larg retail bank through acquisitions in the U.S., Europe, and developing marks
37 HSBC			+3	U.S.	Boosted market share by sprinkling fruits into its flakes and pepping umarketing with pitchmen like Disney's Winnie the Pooh.
38 KELLOGG'S	7.44		+7	Japan	Already the world's top copier and laser-printer company, it emerged a major force in digital cameras, too.

		The C	Globa	al Brar	nd Scoreboard
RANK	2983 BRAND VALUE \$BILLIONS	2042 BRAND VALUE SELLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
40 HEINZ	7.10	7.35	-3	U.S.	The world's favorite ketchup now comes in upside-down bottles and colors like "stellar blue." But competition took a bite.
41 GOLDMAN SACHS	7.04	7.19	-2	U.S.	Raising capital for Corporate America made it arguebly the most prestigious investment bank. But a drought in mergers and equity issuances took a toll.
42 VOLKSWAGEN	6.94	7.21	-4	Germany	The stalwart maker of quality mass-market cars suffered from high costs, an aging lineup, fierce French competition, and a slew of overlapping brands.
43 IKEA	6.92	6.55	+6	Sweden	The chain made flat-packed furniture both affordable and fashionable, bringing its concept of democratic design to 31 countries.
44 HARLEY-DAVIDSON	6.78	6.27	+8	U.S.	Aging customers still think Harley when they think motorcyle. They're also rich enough to afford such innovations as the sleek \$18,000 V-Rod.
45 LOUIS VUITTON	6.71	7.05	-5	France	A downturn in tourism slowed this awesome profit machine fueled by monogrammed bags and accessories.
46 MTV	6.28	6.08	+3	U.S.	Still a big favorite among teens, and not just in the U.S. MTV International was one of the fastest-growing businesses at parent Viacom Inc.
47 L'OREAL	5.60	5.08	+10	France	Who's boycotting France? Not the millions of women who made L'Oreal the No.1 cosmetics seller in the U.S.
48 XEROX	5.58	5.31	+5	U.S.	With new financing and a range of hot color products, the troubled copier company's image was on the mend.
49 KFC	5.58	5.35	+4	U.S.	The chicken chain goosed global business by promoting local fare—tem- pura crispy strips in Japan and potato-and-onion croquettes in Holland.
50 APPLE	5.55	5.32	+4	U.S.	The "I's" have it—iPod, iTunes, and iBooks lifted the perennial underdog, while the innovative Music Store download service left rivals in the dust.
51 PIZZA HUT	5.31	6.05	-12	U.S.	The dough wasn't rising. Asian restaurant sales were hurt by SARS, while at home the chain was slow to sling popular new products such as wings.
52 ACCENTURE	5.30	5.18	+2	U.S.	Hit hard by the slump in telecom, the consulting icon took its own advice and nimbly built its outsourcing specialty.
53 GUCCI	5.10	5.30	-4	italy	Chief designer Torn Ford was still a hit on the catwalks of Paris and New York, but Gucci's profits were shredded by economic stagnation and SARS.
54 KLEENEX	5.06	5.04	0	U.S.	From aromatherapy tissues to 3-D holiday boxes, this leader still managed to pull out some fresh ideas.
55 WRIGLEY'S	5.06	4.75	+7	U.S.	Hip ad campaigns to relaunch core brands Juicy Fruit and Doublemint and introduction of new sugar-free gum reinvigorated the chew-chew train.
56 COLGATE	4.69	4.60	+2	U.S.	As it neared the end of its second century, the brand continued to win over more smiles.
57 AVON	4.63	4.40	+5	U.S.	The Avon Ladies were on a tear, leveraging healthy R&D and marketing budgets through online sales and an expanding door-to-door network.
58 SUN MICROSYSTEMS	4.47	4.77	-6	u.s.	A perception that this computer maker wasn't keeping up with technology trends made it appear as less than cutting-edge.
59 PHILIPS	4.46	4.56	-z	Netherlands	In Europe, its name equals home electronics, but Philips struggled with awareness in the U.S. and perennially tough competition from Asia.
60 NESTLE	4.46	4.43	+1	Switzerland	From chocolate to baby formula, the Swiss food giant keeps the world's pantry stocked.
61 CHANEL	4.32	4.27	+1	France	A symbol of Parisian sophistication for mom's generation, but Chanel had a harder time luring younger customers.
62 DANONE	4.24	4.05	+5	France	The maker of Dannon yogurt, already a powerhouse in Europe, was betting big on emerging markets.
63 KRAFT	4.17	4.08	+2	U.\$.	The master of line extensions scored with new frozen-pizza flavors and other products but lost share on its cheese business to private labels.
64 AOL	3.96	4.33	-8	U.S.	Often dubbed the "Internet on training wheels," the king of the dial-up services risked losing subscribers as they graduated to broadband connections.
65 YAH00!	3.90	3.86	+1	U.S.	This Internet icon soared again but will have to watch out for the Net's next killer brand: Google.
66 TIME	3.78	3.68	+3	U.S.	After winning a National Magazine Award for coverage of September 11. the weekly ramped up again with excellent war reporting and photography.
67 ADIDAS	3.68	3.69	0	Germany	The maker of athletic shoes and clothing suffered from a plunge in U.S. sales as youths balked at paying more than.\$100 for a pair of sneakers.
68 ROLEX	3.67	3.69	0	Switzerland	Tough times failed to put a dent in the popularity of the signature Swiss watches.
69 BP	3.58	3.39	+6	Britain	John Browne was once again front and center with his controversial "Beyond Petroleum" campaign. A megadeal in Russia also helped.

The Global Brand Scoreboard						
RANN PART PERCENT COUNTRY DESCRIPTION: BRAND VALUE BRAND VALUE CHANNE OF SRLIGHT SPILONS: GWMERSHAP						
70 TIFFANY	3,54	3.48	72	ů\$v.	Even hard times couldn't dim the luster of liftany's extravegant baubles his their signature blue look	
71 DURACELL	3.44	3.41	13.33	US.	Terrorist lears boistered baffery sales, but the category remained:	
72 BACARDI	3,43	3.34	3 13%	Bermuda	New flavors, coupled with the popularity of the molito- a Cubar nijn min 23 julep—kept the venerable rum brand on the hip parade;	
73 HERMES	3.423	NA"	N/A	France	Known for classic scarves and leather goods. Hermes recently hired to condition designer lean Paul Gauttier to update its images.	
74 AMAZON COM	3.40	3/18/	17.	U.S.	Areazon's reletifiess focus on making online buying easief - not to mention a steady progress lowerd profits - improved its standing arrong consumers of	
75 CATERPILLARS	3.36	3,22	. +5	U.\$32	the economy gave Cat a rough ride; but the heavy-equipment and engine \$3 maker buildozed ghead, strengthening samings through cost cutting: \$2.5 maker buildozed ghead, strengthening samings through cost cutting: \$2.5 maker buildozed ghead, strengthening samings through cost cutting: \$2.5 maker buildozed ghead.	
76 REUTERS	3.30	4.61	-28	Britain	The news and data service still had not found the formula to outgine. financial-screen rivat Bloomberg in a weak market	
77.LEV.S 2	9,30	3.45	-5	us.	This struggling American Con has blad - come limps too hards—to be cool by but it's also going more-market with a line for Wak Mark.	
78 HERTZ.	3.29	3,36	-2	Ü.S.	Saddled with a difficult pavel market, Hertz Rentza Cac had a lough time of standing out as the premium choice. This company will have to try hardened	
79 PANASONIC	3.26	3,14	+4	Japan	Once a dowdy line of nome electronics, Margushiba's Panesonic brand stood for style, quality, and function packed products:	
NO ERICESSIN	3.15	3,59.	12	Sweden	The cellular equipment glant survived the telector bust bust faced a tough of future. Two years of sturm and draing have taken a tollist.	
81 MOTOROLA	3.10	3.42		บระ	This electronics brand was cut down to size by Intense competition and ST week demand, while product delays put customers on bold ST server ST.	
82 HENNESSY	3.00	- N/A	N/A	France	Hip hoppers and other celebs made this top-of-ine-line cognac relevant to a new generation of drinkers.	
B3 SHELES		2,81	+6	Brit Nether		
84 BOENG	2.86	2.97	-4	US	Management worked hard to prove the brand stood for more than a commercial airliners, only to fail behind Airbus In that crucial markets.	
85 SHIRNOFF	28Y	2.72	+3	Britain	Shook up the boxize business with its introduction of historical socials and a range of ready to drink Smirnoff spin,off products of \$1.500.	
BQ TOHNZON & TOHNZON	2.71	2.51	+8	U.S. /	The halo affect from 18.7's trusted consumer brands helped the company sets are reps as they marketed a bload lineup of drugs and devices a 2005 to the training form the training the state of the stat	
87 PRAUAS	2.54	2.49?	1 *2	(talý:	shoes look fashion capitals by storm, but heavy gets slowed its strict; 3 98 2. With saled up 14% last year, it kept the bubbly flowing at parent company.	
88 MOET & CHANDON	2.52	2,45	13,0	France	LVMH Moet Hennessy Louis Vuittoff: On a roll under new management from Renauth; but the brand's reputation.	
MAZZIN 68	2.50	N/A*.	N/A	Japan *	had yet to catch up to Nissan's crowd-pleasing new models?	
90 HEINEKEN	2.43	2.40	(+1 (×)	Netherlands U.S.	Dutch-made premium beer could prosper. Success of its returnulated Mobil: I motor bil: racing sponsorphire and its.	
91 MOBILE	2.43	2.36	+2"	-	status as NASCAR's official lubricant mirregerated this Economobil tranchise of Hamburg-based parent company Bajeradorf kept the skin cream growing.	
92 NIVEATA 93 STARBUCKS	2.22	2.06	P +8	Germany U.3.	by spreading it into categories such as our projection and deodorants. This fast growing brand continued to comer the U.S. market, although it.	
94 BURGER KING	2,14	1.96 2.16	.+9 2	u.s.	his some speed flumps overseas: As talks dragged on to sell the Home of the Whopper, it suffered from a stales.	
95 POLO RALPH LAUREN	2.05	1.93	+6	U.S.	menu, management exodis, and financial strains among some tranchiness. Another record year for the preppy purveyor of American strip that?	
96 FEDEX	2.03	1.93	+6	U.S.	taunched in 1967 as a line of Ramboyant ties. FedEx was riding high behind a successful expansion of its ground home.	
97 BARBIE	1.87	1.94	-3	U.S.*	delivery service, stealing market share from leader United Parcel Service Inc. 5 The babe in pitth reinveited herself as a DVD more star, even taking a spin-	
98 WALL ST. JOURNAL	1.76	1.96	-10	U.S.	around Swan Lake. But she's slipping against fresh new competitors like Bratz. The downturn in advertising, especially for business publications.	
99 JOHNNIE WALKER	1.72	1.65	+4	Britain	pummeled the Dow Jones Bagship. Four bottles of this nearly 2001-year-old blended scotch whiskey are	
100 JACK DANIELS	1.61	1.58	+2	U.S.	consumed every minute, making it owner Diageo's most spirited brand. A global push and marketing campaign to appeal to women and youngel	
					drinkers means Jack Black ain't just for Good Old Boys anymore.	

The braind valuations draw upon publicly available information, which has not been independently investigated by intertwined. Valuations do not represent a guarantee of lighter performance of the branch or companies.

Data: Intertwaned Corp., 1P. Mary an Chass & Co., Chigroup, Morgan Stanley, Southern Morgan Stanley, So

Mark: Jesus HOLY BIVINESON

LUXURIOUS TOUCHES SOFTEN ROUGH, TOUGH CHEVY TRUCKS Pittsburgh Post-Gazette (Pennsylvania) July 18, 2003 Friday

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July 18, 2003 Friday SOONER EDITION

SECTION: BUSINESS, Pg.B-12 WHEELS

LENGTH: 846 words

HEADLINE: LUXURIOUS TOUCHES SOFTEN ROUGH, TOUGH CHEVY TRUCKS

BODY:

"Cause you got personality, walk, personality, talk, personality, smile, personality..."

-- from "Personality " by Lloyd Price

Truck makers must be humming ' 50s singer Lloyd Price's old hit because they're bending over backward to inject personality into their products.

Some, such as Ford, have licensing arrangements with such **well-known brands as Harley Davidson**, thus introducing specialized products with a particular theme.

Others, such as Dodge, are relying on legends connected with their brand. Dodge did it by introducing the hallowed Hemi engine in one of its pickup trucks.

Chevy's doing it, too, with its 2003 Chevy Avalanche and the 2003 Chevy Silverado SS, both of which are equipped with four-wheel drive. Let's take a look.

The Avalanche's main calling card, of course, is the Convert-a Cab system and a structure between the cab and the truck bed called a midgate, which greatly increases the truck's usability and function.

When you fold down the rear passenger seat, the midgate can be lowered to allow you to carry longer, larger items. But if you wish, you can also fold down the midgate, which expands a five-foot, three-inch truck bed to eight feet, one inch. There also are two box storage compartments equipped with drains on either side of the truck bed that can be filled with ice and used as coolers.

The Avalanche, which was named Motor Trend's 2002 Truck of the Year, has some interesting changes for the current model year, led by the addition of a StabilTrak vehicle stability enhancement system that pays dividends in terms of handling and security, especially on wet surfaces.

Other additions, options and improvements: Dual level air bags and a passenger sensing system that will automatically deactivate under certain conditions to protect kids; a terrific XM Satellite radio system; a more powerful generator; and better brake performance and pedal feel.

The Avalanche has one of the nicest interiors of any truck, with luxury and comfort on par with some luxury cars. You will have a rather steep step up to get into it, but once you're there, wow. The seats are very supportive, there's plenty of leg room and there's lots of space in the back seat.

A full complement of gauges are logically placed, and as I've said before about other GM trucks, nighttime driving is made far easier by all the lights to help you find everything.

Performance-wise, the Avalanche has brisk acceleration and, despite its considerable size, the ability to get up and be gone when it needs to do so. I've seen published figures indicating that the 285-horsepower, 5.3-liter V-8 can hit 60 in 9.6 seconds.

In terms of handling, the Avalanche moves reasonably well, but the sheer mass of it does provide something of a challenge.

The same is true for parking. The Avalanche is one huge pickup. It was hard to see well out of the cab, especially because the truck bed seems to rise up at the rear.

Meanwhile, the Chevy SS is a new model aimed squarely at such trucks as Ford's Lightning. It comes equipped with a high output 6-liter V-8 that produces 345 horsepower and a tree stump-pulling 380 lb.-ft. of torque.

It also comes with a full-time all-wheel drive system as standard equipment, as well as a high performance chassis package that offers Silverado's largest-ever 20-inch wheel and tire combination.

It has a two-inch lower ride height and a wider track that give the truck a no-nonsense, hunkered-down look on the street.

There's a monochromatic color scheme, styled aluminum wheels and special embroidery on the seat headrests and other aesthetic elements. Available colors include black, arrival blue metallic and victory red.

It's a real trip driving the SS model -- heads turn and mouths drop as people are treated to the sounds of that robust, burbling exhaust.

Inside, you're swathed in comfort, but the black on white lettering on the gauges reminds you that you are driving a performance model. Basically, everything I said earlier about comfort and style for the Avalanche interior is applicable to the SS model.

The ride on the SS, however, is somewhat rougher and bouncier on rough surfaces than is the Avalanche, and driving over the cobblestones of my street really left my passengers tossed around a bit.

Things do manage to smooth out on highways, but you occasionally are reminded that this is definitely not a marshmallow rider.

In terms of performance, the SS feels like the powerful truck that it is, but given people's expectations when the SS badge is used, many car writers say it is somewhat underpowered, especially compared with its rivals at Ford and Dodge.

But don't put me among them. With 60 only 6.3 seconds away, according to Car & Driver's June issue, I was more than satisfied with acceleration.

2003 Chevrolet Avalanche

Price \$39,530

Fuel economy: 13 city, 17 highway

Esitmated annual fuel cost: \$1,551

2003 Chevrolet Silverado SS

Price: \$40, 620

Fuel economy: 13 city, 17 highway

Estimated annual fuel cost: \$1,551

NOTES:

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GRAPHIC:

PHOTO: 2003 Chevrolet Avalanche PHOTO: 2003 Chevrolet Silverado SS

LOAD-DATE: July 19, 2003

Mark: (HOLY BUSINESON)

Fund manager eschews stars for consistent performers Sacramento Bee (California) July 15, 2003 Tuesday

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July 15, 2003 Tuesday METRO FINAL EDITION

SECTION: BUSINESS; Pg. D1

LENGTH: 807 words

HEADLINE: Fund manager eschews stars for consistent performers

BYLINE: Jack Sirard

BODY:

Bill Nygren likes to add to his portfolio in much the same manner as the Oakland A's build their roster.

The A's, he says, have been successful year after year by adding players who may not be the biggest stars, but consistently get the job done.

By doing so, the A's are able to get a lot of value for their investment dollar.

And that's precisely the strategy that Nygren has followed in building the Oakmark Funds over the years.

His flagship fund, Oakmark Fund (ticker symbol OAKMX) has been one of Wall Street's best performers over the years, consistently beating the market averages. Year to date, the \$4.6 billion fund, which earns a four-star rating from Morningstar, is up nearly 14 percent. Since it was launched in August 1991, the fund has posted average annual gains of about 17 percent.

Nygren, who's an avid baseball fan, says Michael Lewis' book about the Oakland A's success on and off the field, "Moneyball," provides a lot of lessons for investors.

"Over the years, baseball largely has assessed talent by the physical observation of former players," Nygren says. "It has ignored the fact, for instance, that data accumulation is much better than it used to be."

He says the A's use data analysis in addition to physical observation. That gives them the ability to look at the numbers that don't square with preconceived biases.

"The players they pick may have blemishes, but they are blemishes that don't matter in the long term. Over the years, that has given them an edge in building a team," Nygren says.

He employs a similar strategy, looking for stocks that are out of favor on Wall Street.

"The stocks we like may have some blemishes now, but they're not the kind that will affect what the business may be worth five years down the road," he says.

Indeed, the market will sharply penalize those companies that don't know exactly what the next six months of earnings will look like, and companies that don't have exciting stories to tell are rarely in favor.

But, Nygren's strategy has been to buy companies that will have very good 10-year records even though they may not be clear about the next quarter or two and they may not have the hottest product coming to the market.

The top holding in his fund is Washington Mutual, which he says offers the best of all worlds. It sells far below the stock market's average price-earnings ratio and is well on its way to becoming the Wal-Mart of the banking industry. It's a bank for the broad middle class, he says.

The stock, Nygren says, offers the potential for very high returns, and it's been gaining in market share.

"Usually with a stock like this, you have to ask, 'Is the premium you have to pay to get it worth it?' But in this case, you get all the positives at half of the premium to the market."

While Nygren says that a lot of blemishes don't matter, the one he won't tolerate is bad management.

"We always want to buy stocks in companies that management acts in the best interests of its shareholders. If they're doing anything else, the company is not being properly run in the long run," he says.

In addition, as a value investor, he adheres to Warren Buffett's two rules of investing: 1. Don't lose money, and 2. Don't forget rule No. 1.

In recent weeks, Nygren has added two **well-known names** to his investment portfolio, Automatic Data Processing Inc. (ADP) and **Harley-Davidson** Inc. (HDI).

"Both are consistent with the other stocks we own," Nygren says. "There has been earnings disappointment accompanied by a dramatic reduction in their stock price.

"Harley was selling at 40 times earnings; now it sells for 15 times expected earnings. People are concerned that the demand is not growing at 20 percent a year anymore.

"But we see the S&P growing at 18 times earnings and think that Harley has every chance to grow at least that fast."

With ADP, it's a similar story. This is a company that had a 41-year track record of double-digit growth, the longest among Standard & Poors companies. As a result, he says, the stock dropped from \$70 to \$35.

"The company, which does payroll outsourcing, was hurt by the declining economy and that record came to an end. But five years from now, we see more employment, and outsourcing will be a compelling story once again," Nygren says.

Looking ahead, the mutual fund manager calls himself optimistic about the market, but says that investors will have to look for lower returns than they had in the 1990s.

"Stocks should rise about 5 to 6 percent, and when you couple that with a 2 percent dividend, you'll be getting high single-digit returns," he says.

While that's a far cry from the high-flying days of the late 1990s, it's a realistic forecast that closely tracks the historic returns of the stock market.

And it's just enough to reward long-term investors.

The Bee's Jack Sirard can be reached at (916) 321-1041 or isirard@sacbee.com

LOAD-DATE: December 12, 2007

Mark: (Jesus)

Harley-Davidson Marketing Veteran Clyde Fessler Joins Redline's Board Of Directors Business Wire June 12, 2003, Thursday

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June 12, 2003, Thursday

DISTRIBUTION: Business Editors

LENGTH: 636 words

HEADLINE: Harley-Davidson Marketing Veteran Clyde Fessler Joins Redline's Board Of

Directors

DATELINE: VISTA, Calif., June 12, 2003

BODY:

Redline Performance Products, Inc. ("Redline(TM)") (AMEX: RED) today announced the appointment of Clyde Fessler to its Board of Directors.

With the addition of Mr. Fessler, Redline's Board of Directors increases to six members.

Mr. Fessler, 61, is recognized as a primary architect of the marketing strategy that helped guide **Harley-Davidson**, Inc. (NYSE:HDI) from the verge of bankruptcy to one of the most successful companies and **well-known brands** in the world. He brings more than 30 years of business development and marketing experience to Redline's Board of Directors.

Mr. Fessler held positions of increasing responsibility throughout his 25-year career at Harley-Davidson, which began in 1977 and ended with his retirement in 2002. These included:

- Advertising and Promotions Manager, where he authored the "close to the customer" business philosophy;
- Director of Marketing, where he developed a **brand** strategy that has endured for over 20 years and enabled **Harley-Davidson** to be inducted into the Marketing Hall of **Fame**;
- Director of Licensing, where he established a new business that expanded the brand;
- Vice President/Managing Director of Europe, where he led the development of a 10-year strategic plan;
- Vice President of General Merchandise, where he established a new apparel business that won awards from the Fashion Design Council of America; and
- Vice President of Business Development, where he authored the company's mission statement of "We Fulfill Dreams" and spearheaded the development of several new businesses.

From 1972-1974, Mr. Fessler served as Sales Promotion Manager for Arctic Enterprises, Inc., now known as Arctic Cat, Inc. (Nasdaq: ACAT), which designs, engineers, manufactures and markets snowmobiles and all-terrain vehicles (ATVs) under the Arctic

Cat(R) brand name, as well as related parts, garments and accessories.

Mark A. Payne, President and Chief Financial Officer of Redline, commented, "We are very excited to be adding an individual of Clyde's caliber to our Board of Directors. He brings a quarter of a century of hands-on, real world experience in advertising, marketing and business development strategies. We believe that Clyde will be a valuable resource as we roll out our 800 Revolt(R) snowmobile into the market. We welcome his counsel and look forward to his contributions as a member of our Board of Directors."

About Redline Performance Products, Inc.

Redline Performance Products, Inc. designs, engineers and markets, and has begun to manufacture and sell, snowmobiles under the Redline(TM) brand name. The Company maintains its principal executive offices in Vista, CA, and also has an office in Minneapolis, MN. Learn more at www.redlinesnowmobiles.com.

NOTE TO EDITORS: for downloadable images, visit www.redlinesnowmobiles.com/pages/press2.html.

This news release includes "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included or incorporated herein may constitute forward-looking statements. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. The forward-looking statements involve risks and uncertainties that affect the Company's operations, financial performance and other factors discussed in its filings with the Securities and Exchange Commission ("SEC").

CONTACT: Redline Performance Products, Inc. Mark A. Payne, 952/949-3857 or Investor Relations Counsel: The Equity Group Inc. Devin Sullivan, 212/836-9608 Adam Prior, 212/836-9606

URL: http://www.businesswire.com

LOAD-DATE: June 13, 2003

Mark: (1650s)

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Pinball gamely hanging on; Machines hard to find in computer and video game world Chicago Tribune April 19, 2003 Saturday

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April 19, 2003 Saturday CHICAGO FINAL EDITION

SECTION: BUSINESS; ZONE: C; Pg. 3

LENGTH: 1141 words

HEADLINE: Pinball gamely hanging on;

Machines hard to find in computer and video game world

BYLINE: By Jason Compton, Special to the Tribune. Jason Compton is a freelance writer

based in Evanston

BODY:

Computers and PlayStations have finished what Atari started almost 30 years ago--flipping pinball into obscurity.

The rows of blinking, clanging and silver-ball-bumping games in arcades and local bars largely have disappeared. A generation of gamers thinks the Pinball Wizard is a character from a Harry Potter novel.

Yet in Chicago, once the capital of a thriving international pinball business, the game is hanging on.

"I enjoy pinball, whenever there's one in a bar," said Chicago resident Christina Mann, after playing at Champs Sports Bar and Grill in Morton Grove.

Finding a machine is the tricky part.

Two or three new games a year are produced in the Chicago area, which is a far cry from the heyday, when two new games a week would hit the streets.

Stern Pinball of Melrose Park is the lone maker of new pinball machines, producing 8,000 to 10,000 tables per year since President Gary Stern, a second-generation pinball devotee, bought the company back from Sega in 1999.

Stern runs his business on modest--and profitable--expectations.

"The pinball business worldwide is not as large as 10 years ago. It's maybe 10 percent," he said. "There's a market for that, enough business for that, and we have restructured ourselves to operate well and profitably and at a significantly lower level."

The majority of the games produced by Stern since its rebirth have been **well-known** licensed **names**, from the Simpsons to **Harley-Davidson** and even a computer game,

RollerCoaster Tycoon.

Stern's approach is faring better than the Pinball2000 concept that <u>WMS Industries Inc.</u>, the one-time giant of Chicago pinball when it was known as Williams Electronics Games Inc., introduced in the late 1990s before getting out of the business in 1999.

Pinball2000 used a floating-projection screen to show high-resolution graphics to players without drawing their eyes from the table. But players weren't excited by this blend of technology, and Williams exited the market entirely after making just a few Pinball2000 games.

"Our goal was to breathe new life into pinball and try to fuse these two elements--video and pinball--together as one," said Dave Mueller, a Midway Games employee who worked as a 3-D artist on Pinball2000. He said that the small market didn't provide many opportunities to make the new concept succeed.

"I don't think we were ever given a chance to prove ourselves over the long haul."

Mann said modern pinball games discourage fans by overemphasizing gimmicks at the expense of gameplay.

"You don't get a lot of play time," she said.

Another reason why it has become increasingly difficult to find a place to play is that a growing number of machines go straight to private residences and basement playrooms. Pinball has become too expensive for many bars and arcades to offer.

"A pinball game is a service-intense piece of equipment," said Steve White, Wilmette-based editor of RePlay, an amusement industry trade magazine. He said that rather than send out trained service technicians, it is easier for the leasing companies that operated most pinball machines to replace them with lower-maintenance games.

Marco Rossignoli, author of the book "Pinball Memories--Forty Years of Fun 1958-1998," said that poorly maintained pinball machines have done as much damage to the market as video games.

"Kids or adults who have an initial interest in pinball, or perhaps are playing a game for the first time, get ripped off ... with a pinball game that is not working properly and don't ever play again," Rossignoli said.

No space of its own

One of the biggest problems for pinball is that it simply cannot find a home.

Its traditional floor space in taverns is being taken up by smaller, lower-maintenance competitors, such as the popular video golf game Golden Tee.

Arlington Heights resident Jen Webber, who spent more than 45 minutes playing Golden Tee at Champs, with an empty pinball game next to her, credits the golf game with dousing her fire for pinball.

"I used to love pinball, but there are no good games anymore. Golf, you need a little more thought for," she said.

"We really are one of the reasons for the decline of pinball," said Gary Colabuono, director of marketing for Arlington Heights-based Incredible Technologies Inc., makers of Golden Tee. "We took the real estate that was allocated for the pinball machine."

Although rumors that Incredible might make pinball games swirled after the company hired acclaimed pinball designer Mark Ritchie, Colabuono said there is no story there. "We hired him because he's a great game designer."

What space Golden Tee hasn't eaten has been widely cut away by touchscreen games, such as trivia or solitaire, which are small, cheaply made and can sit on the bar itself. Unlike pinball or even a classic arcade game, touchscreen machines offer diversionary entertainment rather than a test of reflex and skill.

The other great haven of pinball, the arcade, has itself become endangered.

"Arcades of the '80s were so popular with teens because they could get an experience that they could not get at home. Now, that's entirely opposite," Colabuono said. "PlayStations and X-boxes, they're powerful, powerful machines, and they give you more than you can get with a coin-op experience. If it weren't for the bar market, we'd have no place to put games."

Hope for future

Gene Cunningham, president of Bloomington-based Illinois Pinball Co., does see some potential for growth.

The company is a distributor and manufacturer of pinball parts and has grown rapidly through acquisition, buying up the parts stocks of three manufacturers that shut down in the '90s, including Williams. But Cunningham also bought the rights to build Capcom pinball games and said he is in negotiations to acquire Williams' mothballed designs as well.

He foresees re-releasing classic titles, saying that the market has proven it will buy the best sellers. "Some of the machines built seven or eight years ago are bringing more now than when they were new."

Meanwhile, pinball fans are keeping the faith.

In October, Rosemont will host the 19th annual Pinball Expo, which brings together industry figures of the past and present with players from around the world. Expo chairman Robert Berk said that collectors and fans have done a good job of introducing their children to the game, which keeps a steady flow of younger attendees coming to the event.

And players like Glen Morhlein of Skokie, who plays pinball twice a week, are waiting for more.

"Hang in there, because there are people out there who want to play," he said.

A flipping good time

Nostalgic for a game of pinball? Here's a few places where you can play that silver ball.

ESPN Zone

43 E. Ohio, Chicago

Underground Lounge

952 W. Newport Ave., Chicago

Champs Sports Bar and Grill

9001 Waukegan Rd., Morton Grove

Season Tickets

50 N. Barrington Rd., Streamwood

Source: Stern Pinball

TECHNOLOGY.

GRAPHIC: PHOTOS 3PHOTO: Workers add finishing touches on a Simpsons pinball machine at the Stern Pinball plant in Melrose Park. The Chicago area once was the center for pinballmakers, but Stern is the only one left.

PHOTO: Gary Stern, president of Stern Pinball, bought back the company his family founded. Despite the drop in pinball sales, Stern has successfully produced games with well-known licensed names. Photos for the Tribune by Peter Thompson. PHOTO: Gary Colabuono, director of marketing for Arlington Heights-based Incredible Technologies, said the company's Golden Tee golf video game fills the floor space that pinball held in many bars. Tribune photo by Stacey Wescott.

LOAD-DATE: April 19, 2003



Marketing for 'motorheads'. (Rollouts). Point of Purchase April 2003

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Business and Industry
Point of Purchase

April 2003

SECTION: Pg. 25 Vol. 9 No. 4 ISSN: 1085-5009

ACC-NO: 3773410

LENGTH: 376 words

HEADLINE: Marketing for 'motorheads'. (Rollouts).

HIGHLIGHT:

Cruiserworks L.L.C., motorcycle footwear, apparel

BODY:

Charlotte, N.C.-based manufacturer Cruiserworks, which creates a line of premium waterproof full-grain leather boots and accessories, debuted its products at retail in February. By doing so, the company, previously an online-only retailer, expanded its reach within the cruiser [motorcycle] market, which includes other **well-known brands such as Harley-Davidson.**

"Our average customer is an aging baby boomer (age 45 to 55) with an income of \$80,000 a year or more," explains Cruiserworks founder Allen Veach. "Our customers want the retro look, but they expect technology that creates safety and comfort."

With regard to retail merchandising, he continues, "It is important that our dealer debut reflect the trend toward sophisticated product presentation [being seen in] dealerships across the country. Gone are the days when dealers stacked new products in a greasy corner. That level of presentation is no longer acceptable."

Therefore, the fledgling company turned to Chicago-based Visual Marketing to create POP elements for the brand. According to Rich Gausselin, Visual Marketing, "There were many retail considerations to take into account when conceiving the merchandising's look, feel and construction. The Cruiserworks displays needed to work just as efficiently in a large, upscale BMW dealership as they would do at a smaller, independent motorcycle shop for the hardcore enthusiast," he says, adding, "They also needed to be sturdy enough to withstand the rigors of the specialized motor sports retail environment."

Keeping those considerations in mind, Visual Marketing created a slat-wall system and freestanding merchandiser to showcase the brand's boots and socks in adjustable configurations. Retailers can modify the product mix, and, because the displays are constructed of powder-coated, fingerprint-resistant steel, adjustments can be made without leaving fingerprints. The displays also include a fabricated diamond-plate platform to replicate the look of chrome.

"The merchandising has a definite motorhead look, which is important given the big, beefy nature of the products," Veach says.

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LOAD-DATE: January 31, 2005

Mark: JESUS JHOLY DIVINESON

Velocity finds speed equals success Green Bay Press-Gazette February 18, 2003 Tuesday

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February 18, 2003 Tuesday

SECTION: BUSINESS; Pg. 6C

LENGTH: 779 words

HEADLINE: Velocity finds speed equals success

BYLINE: By Jim Kneiszel, <u>jkneisze@greenbaypressgazette.com</u>

BODY:

DE PERE -- The past two years haven't provided the best climate for business start-ups, yet the forecast for Velocity Machine Inc. is a sunny one indeed.

While many other companies have been sucking wind and investors are watching the markets tumble, Velocity owners Kevin and Sherri Fredrick have watched their sales soar.

Annual sales for the new company have nearly doubled for 2002. And customers have included **well-known names** like Georgia Pacific and **Harley-Davidson**.

The fast start and some innovative business practices prompted Velocity's accountant, Richard Allcox, to nominate the company for the Green Bay Area Chamber of Commerce Manufacturing Award of Distinction for 2002. The nomination was forwarded to the statewide Manufacturer of the Year program.

"Kevin is, first of all, a very good salesperson. The other thing is, he looks at a niche market, figures out what he can do and goes after it," Allcox said. "They do what they've got to do to get things done and it was an awesome year when everybody else was down."

Kevin Fredrick credits hustle -- in the office and on the shop floor -- with helping the couple grow the business and move into a 15,000-square-foot factory space in De Pere last fall. The experienced engineer and sales executive says speed is the new key to success in the manufacturing world.

"It's all about speed. I can't say enough about that," he said. "Like everyone else, we want to be a one-stop shop focusing on speed and turnaround time, with a lot of continuous improvement going on."

Manufacturers are asking for more efficiency and better products, he said. They seek suppliers who can make quality parts and deliver them on time. While his potential customers are narrowing their number of suppliers, they're asking the remaining few to provide a wider variety of services.

"Three of our top five (customers) are Fortune 500 companies and they force you to grow," Fredrick said. "They will rely on a select few suppliers and require us to work harder and grow."

That requires an investment in technology and a lean, mean work force with a lot of cross-training. Velocity will continue to split time between parts manufacturing and machine repairs while it explores adding more varied manufacturing services in coming years. The shop has some room to grow and the building is designed to allow expansion.

The Fredricks were involved in the start-up of a sheet metal and machining company in 1999. They bought out partners and separated with the machining side of the business in 2001. Sales were \$290,000 in 1999, \$1.7 million in 2000, \$1.2 million in 2001 and projected at \$3.1 million in 2002.

Kevin Fredrick works roughly 60 to 70 hours a week on sales growth while Sherri Fredrick works 20 to 30 hours weekly as office manager on top of her full-time job as a mom.

Workers on the shop floor are asked to be problem-solvers through team meetings. During monthly sessions, employees discuss customers, safety and benefits with Kevin Fredrick.

"I encourage them to challenge me on any issue. If we're not challenged, we're not improving," he said. "We try to get everyone here thinking like a business person. We don't want anyone to check their brains at the door."

Velocity Machine Inc.

Where: 1733 Suburban Drive, De Pere

Employees: 16 full-time, 4 part-time.

Origin: Owners Sherri and Kevin Fredrick bought the machine half of an existing Green Bay machine/sheet metal business in 2001. Kevin Fredrick spent many years working for KI as a design engineer and sales executive, as well working as an independent sales representative.

Products: About half of the company's business is manufactured parts and accessories for various industries, including motorcycle, paper, printing and fitness companies. The other half is custom machinery repair.

Awards: 2002 Manufacturing Award of Distinction for emerging manufacturer from the Green Bay Area Chamber of Commerce.

Manufacturer profiles

Profiles of Green Bay area Wisconsin Manufacturer of the Year nominees continue today. Awards will be announced Feb. 27 at the Pfister Hotel, Milwaukee.

Companies are evaluated in areas such as profitable growth, commitment to employees, effective research and development, training and retraining initiatives and dedication to quality.

Profile schedule:

Monday -- Bay-Tek Inc., Pulaski

Today -- Velocity Machine Inc., De Pere

Wednesday -- Viking Machine & Design Inc., De Pere

Thursday -- Wisconsin Plastics Inc., Ashwaubenon

Friday -- Coating Excellence International, Wrightstown

Saturday -- Badger Paper, Peshtigo

Monday, Feb. 24 -- Gremar Metal Industries Inc., Green Bay

LOAD-DATE: February 21, 2003

JESUS -HOLY BIVINESOR Vark: SARIST

Paul Tracy Recommends the Following Stocks: Amgen, First Data and Harley Davidson Business Wire January 14, 2003, Tuesday

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January 14, 2003, Tuesday

DISTRIBUTION: Business Editors

LENGTH: 782 words

HEADLINE: Paul Tracy Recommends the Following Stocks: Amgen, First Data and Harley

Davidson

DATELINE: CHICAGO, Jan. 14, 2003

BODY:

Putting politics aside, investors must know how a war with Iraq, or another terrorist action, will impact the market and their investments. Paul Tracy can keep you in a strong position regardless of what occurs through his in-depth market commentary and recommendations on Amgen (NASDAQ:AMGN), First Data (NYSE:FDC) and Harley Davidson (NYSE:HDI). Click here for the full story exclusively on Zacks.com: http://featuredexpert2bw.zacks.com/

Here are the highlights from the Featured Expert column:

The general attitude on Wall Street has been a downright bullish one since the major indices bottomed out in early October, helping to propel the markets to sizable gains even amidst heightened global tensions and a slew of lackluster economic reports. The market's resilience in the face of so much uncertainty could be due in part to the so-called "January Effect," but Paul Tracy thinks that a more lasting and sustainable change in sentiment has taken place, and this bodes well for the market's prospects for the rest of the year.

ACTION TO TAKE:

AMGEN (NASDAQ:AMGN) remains the world's largest and most profitable Biotechnology firm, and as such, its shares should continue to trade at a premium to the rest of the industry. Amgen has proven its ability to develop novel therapeutics and bring them to market time and time again, and 2003 should bring more of the same on that front. The company should be able to deliver annual sales and earnings growth of 15-20% over the next five years.

FIRST DATA (NYSE:FDC): First Data's shares have bounced nearly 50% since early October in just a few short months. The stock might consolidate at this level in the coming months, but Tracy expects this to be followed by a push into the low-\$40s as the economy improves in 2003.

HARLEY DAVIDSON (NYSE:HDI): This maker of heavyweight motorcycles should have no trouble riding its **well-known brand name** to strong earnings growth in the years ahead. And with a number of special-edition motorcycles due out for Harley's 100th Anniversary this year, 2003 should prove to be Harley's most profitable year on record. In fact, analysts expect the firm to post a 31% jump in profits.

Continue keeping tabs on Paul Tracy and his market analysis, as he will be providing much needed information on how the war will impact stocks and how you can profit. Also, get more of his recommendations and the "High Growth Gains From Low Tech Stocks" special report by clicking: http://featuredexpert3bw.zacks.com/

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URL: http://www.businesswire.com

LOAD-DATE: January 15, 2003



Harley, Ford continue marriage; New cross-branded trucks offer special features. San Antonio Express-News (Texas) November 30, 2002, Saturday

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November 30, 2002, Saturday, METRO

SECTION: DRIVE; Pg. 1J

LENGTH: 1227 words

HEADLINE: Harley, Ford continue marriage; New cross-branded trucks offer special

features.

BYLINE: G. Chambers Williams III

BODY: Ford has added yet another model to its line of F-150 pickups co-branded with the famous Harley-Davidson name.

This collaboration with the icon of American motorcycles began in 1999 with the first F-150 Harley-Davidson. Since then, there have been two others, including an Super Cab version and last year's SuperCrew model.

For 2003, in celebration of the 100th anniversary of both Ford Motor Co. and Harley-Davidson, Ford has introduced yet another version, a special F-150 Harley-Davidson SuperCrew with a supercharged 5.4-liter Triton V-8 engine, rated at 340 horsepower and 425 foot-pounds of torque.

It won't go quite as fast as a Harley, and it won't be as quick off the line, but for Harley fans, it will have the Harley-Davidson logos on it as well as a special nameplate commemorating the 100th anniversaries of both of these American automotive giants.

This special truck comes with a four-speed automatic transmission, limited-slip differential and antilock brakes as standard equipment. Ford offers it in black, as the ones before it have been, but also in a new black-over-silver two-tone paint scheme.

Other distinctive features include body-color bumpers, special fog lights along a chrome bar upper grille, chrome tie-down hooks and clear-lens headlights. Inside, a leather-wrapped console lid bears the 100th anniversary nameplate, and the two-tone leather quad captain's chairs have the Harley bar and shield nameplate in them.

The truck itself, available only in two-wheel drive, has a one-inch lower stance than the standard F-150 SuperCrew, along with a specially tuned exhaust system and chrome slash-cut exhaust tips.

I haven't driven the new one yet, but I did get a turn in last year's special Harley F-150, and even took it down to the local Harley-Davidson shop to see what those folks thought about the idea.

I found that many Harley owners have bought the Harley trucks, but that few of them would actually put their Harleys into the back of the pickup and haul them somewhere, which I thought would be a good idea if you were going on vacation to the beach or mountains, for instance, and had to take the truck because the family was coming along.

I did find that with a ramp, it is easy to put the Harley in the bed of the truck, and with it properly secured, it rides relatively safely up there.

I also have found out from the folks at Ford that these trucks have been bought by a lot of people who don't own Harley motorcycles, but otherwise have a fondness for the bikes. Perhaps it's their way of being close to the brand without actually buying a Harley, which they might not be in a position to for one reason or another - kids, financial pressures or spousal disapproval, perhaps.

Other standard features include a Homelink universal garage/gate opener, unique instrument cluster, six-disc in-dash CD changer, and automatic climate control. The truck seats four.

Available accessories include a power sliding rear window, engine block heater (not a necessity in Texas), heated front seats, bed extender and moon roof.

Ford says it will build up to 12,000 of this Harley truck at the company's truck plant in Kansas City, Mo.

List price is \$37,295.

There is another co-branded F-series truck line for 2003 that is of special interest to Texans. It's an extension of last year's F-150 King Ranch edition into the Super Duty class, with two models available - either an F-250 or F-350 Super Duty King Ranch edition.

This is the second series of special pickups tied in with the famous King Ranch that takes up a good chunk of South Texas between Corpus Christi and the Rio Grande Valley.

I tested a King Ranch F-150 SuperCrew model last year, and this new one is built on the heavier Super Duty chassis, available in Crew Cab configuration with either single-(F-250) or dual-rear-wheel (F-350) models.

These trucks, one of which I got to see in late September at the Texas State Fair Auto Show in Dallas, come with premium Castano leather interior trim, body-color mirror housings and door handles, Arizona beige wheel-lip moldings on single-rear-wheel models, lighted running boards, premium aluminum wheels, and choice of estate green, chestnut or oxford white exterior colors, each with Arizona beige lower accents.

Ford, Dodge diesel engines revisited

Ford and Dodge have rolled out new diesel engines for their heavy duty pickup lines for 2003; Dodge's was first to market earlier this fall, and Ford's are just now going into production, with deliveries to begin early next year.

In a previous story about the new Ford Power Stroke diesel, I riled some fans of the Dodge/Cummins diesel by repeating info given to me by Dodge officials at a media ride-and-drive program for the new Dodge heavy-duty pickups in September in Chattanooga.

At that time, those officials said the new Dodge heavy-duty trucks have been designed to go at least 150,000 miles with no major repairs. Some Cummins fans wrote me to say that their beloved Cummins diesel engines are designed to go 350,000 miles or more before needing to be overhauled.

That's probably true; diesel truck engines generally do go a lot longer than gasoline engines before needing repair, and Cummins engines are among the best on the market, no doubt.

Ford said during an introduction of the new Power Stroke engine, meanwhile, that it was designed to go at least 250,000 miles virtually trouble-free, and that's probably true, too. I don't want to get into a debate here between the Power Stroke and Cummins fans, however, because both groups are quite fond of their diesel trucks, and both have equally strong opinions about which one is best. I won't go there.

But there were a couple of errors that I made in my article about the Power Stroke: I referred to the new Cummins diesel engines used in the Dodge Ram heavy-duty trucks as a V-6, and it is not - the engine is an inline six. I did get it right in the earlier article I wrote about the Dodge Ram, however, so I did know better; I guess I just had brain freeze when I was writing the Power Stroke column.

I also said that the new 6.0-liter V-8 Power Stroke diesel is built by Allison, which also is wrong. It is built for Ford by the International Engine Group, an operating company of Navistar International Corp., at two plants - one in Indianapolis and a new one in Huntsville, Ala.

General Motors also has a new diesel engine in its pickups. This one, the Duramax, is an Isuzu design and has been available for about a year now.

I'll let you diesel engine fans debate the virtues of your favorites among yourselves, however. I'm staying out of it. I will say that no matter how long you guys say these engines will go without needing overhaul, the manufacturers' warranties don't come close to that.

So don't count on any of the manufacturers backing up those claims if you show up in a dealer's service department with a blown engine before 250,000 miles or 350,000 miles or whatever your long-term expectations are.

G. Chambers Williams III, (210) 250-3236; chambers@express-news.net. Send your car questions to Chambers Williams via e-mail or to All About Cars, San Antonio Express-News, P.O. box 2171, San Antonio 78297-2171.

GRAPHIC: PHOTOS: G. CHAMBERS WILLIAMS III/Express-News Staff; FORD MOTOR CO.: LEFT: The 2003 Ford Super Duty King Ranch edition has special branding on the front fenders. BELOW: The 2003 Ford Super Duty King Ranch has a custom interior. BELOW RIGHT: The interior of the 2003 Ford Harley-Davidson F-150 SuperCrew includes four captain's chairs.; The 2003 Ford F-150 King Ranch is an upgrade of the package.; BELOW: The 2003 Ford Harley-Davidson F-150 sports a two-tone black over silver paint option. RIGHT: The interior of the 2003 Ford Harley-Davidson F-150 SuperCrew includes four captain's chairs.

LOAD-DATE: December 2, 2002

Harley-Davidson[R] safety eyewear.; New Products. Roofing Contractor September 1, 2002



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September 1, 2002

SECTION: Pg. 69(2) Vol. 22 No. 9 ISSN: 1098-1519

ACC-NO: 91486953

LENGTH: 114 words

HEADLINE: Harley-Davidson[R] safety eyewear.;

New Products.

BODY:

Bacou Dalloz, Smithfield, R.I., the parent company of Uvex Safety, has signed an exclusive agreement with Viva International to producesafety eyewear under the Harley-Davidson brand. At the forefront of the new collection is the Limited Edition HD 100 Series, an aerodynamic design reminiscent of popular sports glasses. The sleek, wrap-around frame comes in a bright silver-metallic finish and features a bluemirror lens engraved with the Harley-Davidson name. The brand name and famous bar-and-shield logo are also prominently featured on the front. There are four models altogether, offering a variety of lens tints and meeting or exceeding ANSI Z87.1 industry standards.

Circle RS#209

LOAD-DATE: February 22, 2008



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THE 100 TOP BRANDS

What's in a name? Plenty, if you play your cards right

Keport

Special

t was a tough year to build a brand—or defend one against the corrosive effects of a bear market, financial scandals, and shifting consumer priorities. For proof, look no further than the fact that roughly half of the 100 global brands that Interbrand Corp. and Business-Week ranked this year fell in value compared with a year ago. In this environment, just holding your own is an accomplishment.

To qualify for our ranking, brands had to have a value greater than \$1 billion. They were selected according to two

criteria: They had to be global in nature, deriving 20% or more of sales from outside their home country. They also had to have publicly available mar-

keting and financial data on which to base the valuation. That excluded some big brands, such as Visa International, the BBC, and Mars.

How do you place a value on a brand? Some attempts rely on little more than opinion polls or ad spending. BusinessWeek selected Interbrand's method because it values brands the same way analysts value other assets: on the basis of how much they're likely to earn in the future. Those projected profits are then discounted to a present value based on how risky the projected earnings are—that is, the likelihood that they will in fact materialize.

To start the process, Interbrand first figures out what

percentage of overall revenues are accounted for by the power of the brand. Next, with the help of analysts from J.P. Morgan Chase & Co., Interbrand projects net earnings for that segment of the business. Interbrand then deducts a charge for the cost of owning the tangible assets, on the theory that whatever income is generated beyond that cost is due to intangible factors. This is the economic value added by things like patents, customer lists, and, of course, the brand.

The next step is to winnow the earnings generated by the brand from the earnings generated by other intangibles. For

example, are people buying Shell gasoline because of the brand name or because the gas station is conveniently located? Interbrand uses market re-

search and interviews with industry executives to slft through those variables.

The final phase is to analyze the strength of the brand to figure out how risky those future brand earnings are. To calculate the brand's strength, Interbrand looks at seven factors, including the brand's market leadership, its stability, and its ability to cross geographical and cultural borders. The risk analysis produces a discount rate that is applied to the brand earnings to come up with a net present value of the brand. BusinessWeek and Interbrand believe this figure comes closest to representing the true economic value of that complex array of forces that make up a brand.

The Global Brand Scoreboard

RANK	2002 BRAND VALUE SELLONS	2001 Brand Value Selions	PERCENT CHANGE	COUNTRY OF OWNERSKIP	DESCRIPTION
1- COCA-COLA	69.64	68.95	+1%	U:S.	Still the best brand by far. Growth in the developing world offset so-so new products like Diet Coke with Lemon.
2 MICROSOFT	64.09	65.07	-2	U.S.	its name is still dragged through the courtroom, but the biggest challenge is stagnant PC purchases.
3 IBM	51.19	52.75	-3	U.S.	Good thing Big Blue was rebuilt on services, which remains the most promising segment for tech spending.
4 GE	41.31	42.40	-3	U.S.	The retirement of Jack Welch and angst over Corporate America took a toll on the GE name.
S INTEL	30.86	34.67	-11	U.S.	"Intel Inside" put it on the map, but now the brand faces tough competition and sluggish PC sales.
6 NOKIA	29.97	35.04	-14	Finland	Still the cell-phone brand of choice among consumers, but overall sales of mobile handsets are weak.
7 DISNEY	29.26	32,59	-10	U.S.	Even monster hit <i>Monsters Inc.</i> couldn't compensate for a post-September 11 falloff at theme parks.
8 McDONALD'S	26.38	25.29	-4	U.S.	Who remembers Mad Cow disease? Global expansion continues as negative PR fades.
9 MARLBORO	.24.15	22.05	+10	U.S.	The iconic brand uses line extensions and merchandising clout to over- come court challenges and skyrocketing price of cigs.

Data: Intertrand Corp., I.P. Morgan Chase & Co., BusinessWeek

		egg teritor te			d Scoreboard
1	2002 IRAND VALUE SELLOIS	2001 BRAND VALUE SBILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
MERCEDES	21.01	.21.73	-3	Germany	The leading luxury car brand, but it's low-end models suffered from poor reviews.
FORD	20.40	30.09	-32	U.S.	At least Ford admitted to pursuing strategies that were "poorly conceived or poorly timed." But where's the fix?
TÔYÔTA	19.45	18.58	.5	Japan	Cruising slong after capturing broad mid-market appeal in the U.S. In- cluding new SUVs and pickups.
CITIBANK	18.07	19.01	-5	U.S.	A slowing U.S. economy and a hit from the Enror flasco hurt both results and image.
HEWLETT-PACKARD	16.78	17:98	-7	us.	More and more, its printers are commodities. Bickering during the Com- pagineges also dight boost HP's image
AMERICAN EXPRESS	16.29	16.92	-4	U.S.	Wary U.S. consumers, penny-pinching corporations, and white-hot competition in credit cards made it a tough year for the prestigious brand.
CISCO	16.22	. 17.21	-6	ÜS.	The popping of the internet bubble, and the plunge in telecom spending, drew down brand value.
AT&T	16.06	22.83	-30	U.S.	Nobody loves telecom these days. But at least it's faring better than WorldCom.
HONDA	15:06	14.64	3	Japan	Solid, dependable, and nurturing a growing reputation for earth-friendly, hyprids technology.
GILLETTE	14,96	15.30	-2	u.s.	The King of Blades is still gaining share, as higher marketing boosts the premium Mach: 3 and Venus razors.
BMW	14 43	13.86		Germany	Bold new designs—from the space age 2 series sedan to the athletic KS. Stry—helped BMW boost sales and profit margins.
SONY	13.90	15.01	-7	Japan	Still known for its design flair, Sony gadgets have come under attack by Samsung.
NESCAFE	12.84	13.25	32.	Switzerland	Cheap instant coffee is losing favor as people consume more java outside the home
ORACLE	11.51	12.22	-6	U.S.	Look out below: Oracle's value has eroded along with tech spending.
BUDWEISER	14-35	10.84	5	U.S	Nimble advertising for Bud and soaring Bud Light gives it continued dom- inance in the U.S. and U.K.
MERRILL LYNCH	11.23	15.02	-25	U.S.	Investors have long memories, so Merrill's conflict-of-interest fiasco between bankers and analysts could linger.
MORGAN STANLEY	11.20.	N/A	N/A	U.S.	Few on Wall Street emerged unscathed from the earnings controversy, but Morgan Stanley also had a poor performance underwriting IPOs
COMPAQ	9.80	12.35	-21	U.S.	A big grab for market share by Dell, coupled with the histrionics over Compac's merger with HP, hurt a tired brand.
PFIZÈR	9.77	8.95	+9.	U.S.	Pfizer took the high ground on a hot-button issue with initiative to sell reduced price drugs.
J.P. MORGAN	9.69	N/A	N/A	U.S.	The market was bad enough, but J.P. Morgan also had big negative exposure in the Enron collapse.
KODAK	9.67	10.80	`-10 <u>`</u>	U.S.	Kodak so far hasn't transferred the equity from its longtime dominance of photo into the digital market.
DELL	9.24	8.27	+12	U.S.	Proved that its built-to-order business model works in bad times as well a good.
NINTENDO	9.22	9.46	3	Japan -	On top of the price battle faced by its GameCube, the handheld Game Boy Advance was only a middling success.
MERCK	9.14	9.67	-6	U.S.	Vioux faces patent expiration and new-drug pipeline is dry. Now, investors are ill over accounting questions.
SAMSUNG	8.31	6.37	+30	S. Korea	Revved up brand value with brilliant product design and arresting marketing.
NIKE	7.72	7.59	+2	U.S.	Strides in penetrating soccer market, and signs it may do the same in golf, augur well for this premium brand.
GAP	7.41	8.75	-15	U.S.	Its slide accelerated as consumers turned elsewhere for cutting-edge styles or lower prices.
HEINZ	7.35	7.06	+4	U.S.	A classic brand that exploits core markets with memorable extensions in everything from ketchup to tuna.
VOLKSWAGEN	7.21	7.34	-2.	Germany	Global car sales are down, and the new Beetle was not the megahit VW might have hoped for.
					CEO Henry Paulson spoke out about declining corporate credibility, but so
	MERCEDES FORD TÖYÖTA CITIBANK HEWLETT-PACKARD AMERICAN EXPRESS CISCÓ AT&T HONDA GILLETTE BMW SONY NESCAFE ORACLE BUDWEISER MERRILL LYNCH MORGAN STANLEY COMPAQ PFIZER J.P. MORGAN KODAK DELL NINTENDO MERCK SAMSUNG NIKE GAP HEINZ	MERCEDES 21.01. FORD 20.40 TÖVÖTA 19.45 CITIBANK 18.07 HEWLETT-PACKARD 16.78 AMERICAN EXPRESS 16.29 CISCÓ 16.22 AT&T 16.06 HONDA 15.06 GILLETTE 14.96 BMW 14.43 SONY 13.90 NÉSCAFE 12.84 ORACLE 11.51 BUDWEISER 11.23 MORGAN STANLEY 11.23 MORGAN STANLEY 11.20. COMPAQ 9.80 PFIZER 9.77 J.P. MORGAN 9.69 KODAK 9.67 DELL 9.24 NINTENDO 9.22 MERCK 9.14 SAMSUNG 8.31 NIKE 7.72 GAP 7.41 HEINZ 7.35	### BRAND VALUE BRAND VALUE SERVICES 21.01 21.73	2002 2003 PERCENT CHANCE SIBILIONS SIBILIONS CHANCE CISCO 16.92 16	1982 1981 1982

Data: Interbrand Corp., J.P. Morgan Chase & Co., BusinessWeek

			The C	Globa	ıl Bran	d Scoreboard
RANK		2002 BRAND VALUE SELLONS	2001 BRAND VALUE SBRUOKS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION
40	KELLOGG'S	7.19	7.01	+3	U.S.	Stabs at innovation, and a bisney alliance that put Buzz Lightyear on ce- real boxes, renewed the brand's relevance.
41	LOUIS VUITTON	7.05	7.05	0	France	Still a fashion must-have, particularly in Asia, but sales have been anemic because of post-September 11 travel decline.
42	SAP	6.78	6:31/		Germany	SAP has delivered on theme. The best run a businesses run SAP. The software maker benefited from a flight to established suppliers.
43	CANON	6.72	6.68	+2	Japan	A reasonable performance in a camera-market that is exhibiting almost no growth. And it's gaining on Xerox in copiers.
44	IKEA	6.55	6.01	. •9.	Sweden	Resorant brand benefited from the weak economy, which made more cus- tomers willing to assemble their own tables.
45	PEPSI	6.39	6.21	+3	U.S.	Innovations keep coming, like lemon-flavored Pepsi Twist. But biggest challenge is a consumer shift to bottled water and juices.
46	HARLEY-DAVIDSON	6.27	5.53	+13 .	Ů.S.	Masterful job of selling Baby Boomers on a high-margin symbol of youth- rul rebellion.
47	MTV	6.08	6.60	-8	u.s.	Phenomenal success of <i>The Osbournes</i> shows MTV still has its spark. Unfortunately, the ad market is dead.
48	PIZZA HUT	6.05	6.00	•10	U.S.	Tough market, but the chain upgraded its restaurants and added new products like P-Zone, Twisted Crust, and Quad.
49	KFC	5.35	5.26	+2	U.S.	Introduced Popcorn Chicken, new Chicken Twister sandwich, and restaurants co-branded with corporate sibling Pizza Hut.
50	APPLE	5 32	≥ 5,46°,	-3	Jan.s.	A well-received new IMac couldn't overcome weak sales to consumers and design professionals.
51	XEROX	5:31	6.02	-12	U.S.	Trying to dodge its stodgy image, with digital and high-speed copiers. But a financial cloud lingers.
52	GUCCI	5.30 %	5.37		italy	The ongoing allure of lead designer form Ford could offset a slow start to 2002.
53	ACCENTURE	5.18	N/A	N/A	u.s.	In light of former parent Arthur Andersen's fate, Accenture's branding initiative looks like sheer brilliance.
-54	L'OREAL	5.08	N/A	N/A	France	No slowdown here. The brand now gets more than half its sales outside Europe, thanks to smart acquisitions Kleenex held most of its value because of innovations like Kleenex Trav-
55	KLEENEX	5.04	5:09	-1'	U:S.	ellers, for car door pockets.
56	SUN.	4.78	5.75		ુંU.S.	Sun still leads in servers, but must deal with the implosion of the once- fertile dot-com sector. Innovations kept the Wrigley's brand fresh, Can "functional" products like
57	WRIGLEY'S	4.75	4.53	+5	U.S.	tooth-cleaning gum add further shine? Reuters lost considerable ground to Bloomberg as customers fled its old-
58	REUTERS	4.61	5.24	-12:	Britain	fashloned image and poor service. A toothpaste/mouthwash combo and other novelties helped offset slipping
59	COLGATE	4.60	4.57	+1.	U.S.	share in other product areas. Potent in Europe but weak in North America, this brand was dogged by
60	PHILIPS	4,56	4.90	-7	Netherlands	tough consumer-electronics markets and lackluster U.S. marketing. The king of chocolate, cookies, and baby food is eating up U.S. ice crean
61	NESTLE	4.43	N/A	. N/A	Switzerland	with Dreyer's. A makeover of its sales force and product lines boosted U.S. sales. But
62	2- AVON	4.40	4.37	+1.	U.S.	Avon has stumbled with its foray into retail sales. Few signs of promised synergies following merger with Time Warner, and
63	AOL .	4.33	4.50	-4	u.s.	AOL's subscriber growth has slowed. The perfume and fashion icon held its own in a tough global economy.
64	CHANEL	4.27	4.27	0	France	Still dominates lineup stretching from cheese to salad dressing, and isn't
65	5 KRAFT	4.08	4.03	+1	u.s.	afraid to use its muscle to get the best store display. No. 1 in yogurt outside the U.S. and No. 2 in water, Danone is well-post-
66	DANONE	4.05	N/A	N/A	France	tioned to benefit from health worries. Forget the ad slump, Yahoo needs to prove it is relevant to consumers as
67	7 YAHOO!	3.86	4.38	-12	U.S.	they become more experienced at browsing. Benefited from World Cup fever, but still has little appeal among trend-
61	B ADIDAS	3.69	3.66	. +3	Germany	setting black and Hispanic youth. There's nothing like a classy watch in bad times. But improved sales mu
69	ROLEX	3.69	3.70	0	Switzerland	There's nothing like a classy watch in oad times. But improved sales me wait.

Data: Interbrand Corp., J.P. Morgan Chase & Co., BusinessWeak

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2002 BRAND VALUE I SBILLINS	2001 BRAND VALUE SBILLIONS	PERCENT CHANCE	COUNTRY OF OWNERSHIP	DESCRIPTION
3.68	-3.72	1.	. u.s.	Ads are way off but big news year has helped the magazine's reputation.
3.59	7.07	-49	Sweden	Ericsson keeps falling further behind Nokia, Samsung, and Motorola.
3.48	3.48	0-	Ü.S.	With sales down in Japan, the world's most famous jewelry retailer has had to sell more lower priced gold and silver.
3.45	3,75	-8	U.S.	Until new designs hit store shelves, Levi's will continue to lose ground to youth-oriented labels.
3.42	3.77	. 29	U.S.	Suffered from softness, in phone handsets and semiconductors, but its greater diversification was a hedge
3.41	4.14	-18	U.S.	Forced to spend heavily on promotions to hold onto market share, cutting profit margins.
3.39	3.24	4	Britain	While efforts to recast itself as environmentally conscious are controver- sial, the BP-brand is motoring elong.
3.36	3.62	-7	U.S.	Rental car business suffered as more Americans stayed home.
3.34	3:20		'Bermuda	Solid marketing and the cachet of its Cuban heritage have the rum brand on a growth radio.
3.22	N/A	N/A	U.S.	The No.1 heavy-equipment brand has steamfolled into merchandise and clothing, playing off its rough-and tumble image.
3.18	3'13 %	Televier	บร	Amazon looks to extend its brand with more retail alliances like the ones it has with larget and Toys (R. Us.
3.14	3.50	-10	Japan	It has overhauled product lines and chopped costs, but Panasonic hasn't been able to pull off a Samsung-like makeover.
1 - 37 - 30 m 3 m	4.06	27	Ü:S:	The grounding of airlines last fall hijf Boeing hard. Now it wants to be known as much for its space and defense businesses.
9,31	2.84	· -1.	Brit./Neth.	Ad spending got a boost in 2001, but the brand still has little exposure in the U.S.
2.72	2.59	+5	Britain	Smirnoff got a shot of relevance thanks to the explosive growth of ready to drink Smirnoff ice.
	N/A	N/A	U:S.	The strong image of caring built up by its baby products stood the company in good stead.
	N/A	N/A	Italy	Fashion exposure was helped by two high profile store openings but poor market conditions have stalled moves to go public yet again.
N 2.45	2.47	-1	France	The champagne brand should pick up fizz after clearing away unsold inventory from Millennium celebrations.
2.40	2:27	+6	Netherland	Its reputation for quality—and high profits—remains intact despite effort
2.36	2.41	-2	U.S.	Tough year for any oil company, but Mobil's strong U.S. focus helped it fare better than most.
2.16	2.43	-11	u.s.	Diageo's poor supervision of franchisees led to inconsistent quality. Will new owner do better?
2.06	1.78	+16	Germany	Nivea capitalized on an image of wholesomeness to branch out beyond it core hand and body cream products.
	2.18	-10	U.S.	its staid format got a radical re-do, including color reproduction. But the Journal still got smacked by the ad recession.
1.96	1.76	+12	U.S.	Starbucks hasn't stumbled yet. There are still gaps to fill in the U.S., as gears up for expansion in Asia and Europe.
1,94	2.04	-5	U.S.	Another year of brand erosion as little girls opted for more fashionable toys.
	1.91	+1	U.S.	Modest growth and a U.S. focus helped this brand in a difficult year at the luxury end of the rag trade.
1.92	1.89	+2	U.S.	FedEx consolidated its leadership and secured more flights into Hong Kong to service booming Asian markets.
	1.65	0	Britain	"Keep walking" ad message focusing on personal journeys seemed to strike a chord with younger drinkers.
	1.58	0	U.S.	Jack Danlel's "birthday parties" celebrated the brand's 150th year.
	N/A	N/A	U.S.	In a world of commodities, 3M churns out continual innovation to command premium prices.
		4		Twenty new stores slated to open from Milan to Hong Kong this year are
	2002 BRAND VALUE SILUOUS 3,68 3,48 3,45 3,42 3,41 3,39 3,36 3,34 3,22 3,18 3,14 2,97 2,81 2,72 ON 2,51 2,49 N 2,45 2,40 2,36 2,16 2,06 NAL 1,96 1,96 1,94 REN 1,93 1,92	### Part	### PRAND VALUE BRAND VALUE CHANGE SBILLORS 3.68	### BRAND VALUE SHAND CHANCE SHILLONS 3.68

Mark: Jesus Jesus

CURRENTS: MOTORCYCLE; 100 Years of Vroooooooom, As Harley-Davidson Hits the Road The New York Times July 25, 2002 Thursday

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July 25, 2002 Thursday Late Edition - Final

SECTION: Section F; Column 1; House & Home/Style Desk; Pg. 3

LENGTH: 124 words

HEADLINE: CURRENTS: MOTORCYCLE;

100 Years of Vroooooooom, As Harley-Davidson Hits the Road

BYLINE: By ELAINE LOUIE

BODY:

Harley-Davidson is celebrating the 100th anniversary of its founding with Open Road Tour, a traveling exhibition that includes Elvis Presley's 1956 model KH. Pentagram, a New York studio, designed the exhibition, which began last week in Atlanta. Three tents showcase Harley history, Harley fashion and Harleys themselves (at right, 100 gas tanks). The show will be in Baltimore from Aug. 16 to 18, then it will hopscotch to Los Angeles, Toronto, Dallas, Mexico City, Sydney, Tokyo, Barcelona and Hamburg. The \$55 admission in Baltimore will include a concert with the Neville Brothers or Hootie and the Blowfish or Bob Dylan, and demonstration rides (bring your motorcycle license). For information, www.harley-davidson.com. ELAINE LOUIE

URL: http://www.nytimes.com

GRAPHIC: Photo (Maurice Linnane)

LOAD-DATE: July 25, 2002

Mark: HOLY DEVINESON

BIKER NIRVANA WEATHERS ECONOMIC BUMPS IN FINE SHAPE The Oregonian July 18, 2002 Thursday

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July 18, 2002 Thursday SUNRISE EDITION

SECTION: SOUTHWEST ZONER; Pg. 06

LENGTH: 1010 words

HEADLINE: BIKER NIRVANA WEATHERS ECONOMIC BUMPS IN FINE SHAPE

SOURCE: RAY HUGHEY - Special Writer, The Oregonian

DATELINE: TIGARD

BODY:

Summary: Destination Harley keeps growing in its new home in Tigard, with a backlog of motorcycle orders

The last thing Ed Wallace and Ed Wallace Jr. needed for the opening of their new \$3.6 million Harley-Davidson dealership was a recession.

But when they opened the doors at their Destination Harley store in Tigard in March 2001, that was what they found on the doorstep.

Everything looked fine when they bought the former Beaverton Harley-Davidson in 1999. They hoped to achieve the same success in Oregon that they had enjoyed with their Destination Harley dealership in Tacoma.

They made plans to move the new dealership to Tigard and began construction in June 2000 on a new building on Southwest Cascade Avenue, near Washington Square mall. Then in the early months of 2001, the bottom fell out of the Nasdaq market, taking consumer confidence with it.

By August, they were feeling pressure from the sliding economy. "We were at a crossroads," said Ed Wallace Jr., who manages the Tigard dealership.

Instead of shrinking back and laying people off, the Wallaces expanded the dealership operation from five to seven days a week, spreading out their employees and reaching out even more to customers.

"It turned out to be a good move," he said. "By March 2002, we were at 42 employees."

All the challenges they have faced so far have been financial, he said.

"And they've all been overcome by betting on the culture and choosing between conserving and going ahead and investing," Wallace said. "In every instance, we've been very fortunate and had our investment pay off, and consequently we continued to invest."

Father and son got into the Harley-Davidson business in 1995. The elder Wallace left a

management job with Kenworth Truck, looking to open a truck dealership. His son was working in retail auto parts.

"We came across an opportunity to buy Harley-Davidson of Tacoma, and we haven't looked back since," Ed Wallace Jr. said.

The Tacoma dealership did \$6.5 million in business its first year. The Wallaces expect revenue from the Tigard dealership, Tacoma and a satellite store in Silverdale, Wash., to be \$30 million this year.

Steel sculpture The large showroom at the Tigard dealership displays row after gleaming row of **famed Harley-Davidson** motorcycles, standing like sculptures done in chrome and steel.

Their **names** sing a poetry of the open road: Fat Boy, Dyna Wide Glide, Night Train, Electra Glide, Softail Deuce and Low Rider.

With it all goes every accessory imaginable for bike and rider. Harley-Davidson also has evolved into a fashion powerhouse, licensing clothing, jackets, wallets and even a line of attire and toys for pets.

"It's a culture," Wallace said. "When you buy a Harley-Davidson, you enter into the culture.

"That culture offers a lot of refuge from the trials and tribulations of everyday life."

Harley-Davidson people say that on a Harley you can take a vacation for 15 minutes to infinity, said Wallace.

If you play golf or go boating, you have to make reservations ahead of time and tie up three to four hours at a time, he said. With a Harley, you just go out to the garage, climb on, and you're gone. Even going out to dinner becomes an event riding a Harley.

The vacations don't come cheap. New Harley-Davidson motorcycles cost from \$5,000 on up. The best-selling Road King goes for about \$20,000.

Harley customers come from every walk of life, Wallace said. Most are men, age 45 and older, pulling down about \$75,000 a year. Harley-Davidson and his company also are reaching more women and younger riders, he said.

And Destination Harley cultivates those customers and owners by investing heavily in training for an experienced staff. The dealership also hosts get-togethers every weekend with eats and a live band.

On July 5, two longtime Harley riders from Atlanta on a cross-country trip were married at one of the dealership events.

Owners group grows The membership of the club it sponsors, Sunset HOG (Harley Owners Group), has grown from about 100 in 1999 to about 360 today.

That devotion to customers has been part of the Harley corporate philosophy from the start, and Destination Harley follows it closely, said Arnie Larson, chapter president. "They do a fabulous job with chapter members," he said.

Scott Carlson, a Harley owner from Tualatin, said a friend recently got a better price on a bike from a Salem dealer.

"But he has no relationship with them," he said. "I've known all the Destination Harley people for five years. Their service people know me; they know my bike."

It was inevitable that Carlson, 34, a courier for FedEx and a married father of two young children, would own a Harley. His father rode a Dyna Wide and Road King. His mother had a Dyna Low Rider.

He said he was in and out of the dealership for five years like a kid with his nose pressed against the window of a candy store.

"It's like going in a toy store," Carlson said. "You can look at all the gadgets and the bikes."

Then one day he saw a black 2001 Dyna Wide Glide. "It just made my heart beat," he said.

He called his wife and said, "This is the bike I want to get."

He has had his Harley a year and a month now.

"I have almost 8,000 miles on it," he said. "I ride it every day it doesn't rain. I don't ride it in the rain."

Bikes trickle into the Destination Harley-Davidson dealership at the rate of 20 to 25 a month. The 2002 Harleys are already sold out, and the store is taking orders on the soon-to-be released 2003 models, the 100th anniversary year for Harley-Davidson.

"The Tacoma store has taken 500 deposits for 2003 models," Ed Wallace Jr. said. "We have close to 100 deposits."

The Wallaces just opened a new 40,000-square-foot facility for their Tacoma dealership. They're building a 12,000 square-foot facility for their Silverdale store, which will become a full dealership.

"We see no end in sight," he said.

You can leave a message for Ray Hughey at 503-221-8440 or by sending an e-mail to weeklybiz@news.oregonian.com.

GRAPHIC: Photo by ROGER JENSEN of The Oregonian staff

LOAD-DATE: July 20, 2002

Mark: JESUS NOLY BIVINESON GREST

A gold bug gets it right Kiplinger's Personal Finance May, 2002

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May, 2002

SECTION: Vol. 56, No. 5; Pg. 70; ISSN: 15289729

B&H-ACC-NO: 112571618

DOC-REF-NO: GCHT-2080-27

LENGTH: 667 words

HEADLINE: A gold bug gets it right

BYLINE:

Kosnett, Jeffrey R

HEADNOTE:

FUNDS Consistent profits are flowing from PERMANENT PORTFOLIO Aggressive Growth. By Jeffrey R. Kosnett

ABSTRACT:

With just \$24 million in assets, Permanent Portfolio Aggressive Growth is a blip on the fund radar screen. But as word of its record spreads, it may not stay obscure for long. For the ten-year period to March 1, it was 34th among 797 diversified U.S. stock funds. It gained an annualized 15%, two percentage points a year better than Standard & Poor's 500-stock index. The fund has never had a negative year, squeaking out 1% gains in 2000 and 2001, both downers for the market.

BODY:

TWENTY YEARS ago, just as a period of debilitating inflation was coming to an end, Terry Coxon made what in retrospect has to be one of the most illtimed moves in the history of mutual funds: He launched a fund that would protect investors from the high-inflation world that he expected to continue indefinitely. Some years later, Coxon created a more traditional stock fund and hired an unknown accountant to manage it. This time he got it right.

With just \$24 million in assets, Permanent Portfolio Aggressive Growth is a blip on the fund radar screen. But as word of its record spreads, it may not stay obscure for long. For the ten-year period to March 1, it was 34th among 797 diversified U.S. stock funds. It gained an annualized 15%, two percentage points a year better than Standard & Poor's 500-stock index. The fund has never had a negative year, squeaking out 1% gains in 2000 and 2001, both downers for the market. Gold bug's progeny. Coxon, a gold dealer by trade, was well-known among fans of the precious metal when he launched the original Permanent Portfolio fund. He designed it to make money in a period of high inflation

by investing in precious gold, silver, Treasury bills, Swiss bonds and naturalresources stocks.

By 1990, Coxon had decided that owning some traditional stocks wasn't entirely foolish and he created Aggressive Growth. But Coxon realized that he wasn't a great stock picker, and in 1991 he asked Michael Cuggino to run the fund. At the time, Cuggino was a young, Boston-based CPA for Ernst & Young, who audited Permanent Portfolio's books. Though Cuggino had no experience managing money, Coxon liked him because of his accounting background and admired his knowledge of funds. "Michael was a standout," says Coxon. Cuggino accepted Coxon's offer to manage the fund and headed west. Now 39, he works out

of Permanent Portfolio's offices in Petaluma, Cal., in the wine country north of San Francisco.

Despite its **name**, Aggressive Growth isn't especially aggressive. It mostly holds **well-known** large and midsize companies, such as Amgen and **Harley-Davidson**. Cuggino trades little (the turnover rate is just 6% per year), and he always keeps the fund fully invested in stocks. The big picture. What distinguishes Cuggino from most of his rivals is that before picking stocks, he first identifies about a dozen attractive industries. He does this by reading economic commentaries, financial statements and stock research. He is currently high on biotech, energy and financials, but is pessimistic about consumer stocks. He then chooses among each industry's leaders, typically companies with solid balance sheets and clear financial statements. Cuggino says that his bias against overly complicated companies kept him from investing in Enron. He adds that he ignores "overpriced stocks with wonderful stories."

In addition to its fine record, Aggressive Growth (symbol PAGRX; 800-531-5142) has other pleasing attributes. The minimum to invest is just \$1,000, and the expense ratio is a below-average 1.29%. The fund's tiny asset base gives Cuggino lots of flexibility. On the other hand, this is essentially a one-man show. Cuggino confers with Coxon regularly, but the fund has no other analysts. That dearth of management depth raises concerns about whether Cuggino could maintain his solid record if the fund were to receive a pile of new cash, particularly if it meant having to add to the number of stocks it holds. K -Reporter: KATHY JONES

LOAD-DATE: May 1, 2002



Wolverine reports it's on solid footing to meet this year's sales, profit goals; Shoemaker expects to increase sales 15 percent in 2002. Grand Rapid Press (Michigan) April 26, 2002 Friday

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April 26, 2002 Friday
ALL S EDITION

SECTION: BUSINESS; Pg. A6

LENGTH: 258 words

HEADLINE: Wolverine reports it's on solid footing to meet this year's sales, profit goals;

Shoemaker expects to increase sales 15 percent in 2002.

BODY:

ROCKFORD -- Wolverine World Wide Inc. is on track to reach its goal of increasing sales 15 percent and earnings 7.5 percent in 2002, the company told investors Thursday.

The Rockford-based shoemaker said during its annual shareholder's meeting that a solid year in 2001 and sales potential in 2002 have put the company on solid footing.

The company makes several popular **brands** of footware, including Hush Puppies and Merrell shoes. It also works with **well-known** companies, such as Caterpillar, the maker of earth-moving equipment, and **Harley Davidson** motorcycles, to create licensed shoe **brands**.

"Our brand diversity adds stability," said Tim O'Donovan, chief executive officer.

The company's Merrell shoes continued to attract attention in recent months, he said. The shoes were described as "the perfect winter shoe" on the NBC's "Today" television show, and USA Today named Merrell the unofficial shoe of the Salt Lake City Winter Olympics.

The shoes have also been spotted on the feet of celebrities Harrison Ford, Sting and figure skater Sarah Hughes. Wolverine sold 6 million pair of Merrell shoes last year.

Merrell, Cat and Harley Davidson footwear sales comprised 40 percent of the company's sales last year.

The company shipped 1 million pair of Stanley work boots last year, the first year the brand entered production.

Chief Financial Officer Stephen Gulis predicted Wolverine sales would reach \$820 million this year. Earnings are expected to top \$1.12 per share, he said.

Shares of Wolverine stock closed Thursday at \$17.97, up 17 cents.

LOAD-DATE: April 13, 2007

Mark: CARIST

Vintage two-wheelers draw a crowd The Idaho Statesman March 18, 2002 Monday

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March 18, 2002 Monday

SECTION: LOCAL; Pg. 3

LENGTH: 441 words

HEADLINE: Vintage two-wheelers draw a crowd

BYLINE: Tim Woodward

BODY:

Tim Woodward

Staff

CALDWELL -- The Idaho Vintage Motorcycle Club Show and Swap Meet at Caldwell's O'Connor Field House on Sunday wasn't just about motorcycles.

For \$4 admission, you could see Harley-Davidsons, Indians and other classic motorcycles.

You also could check out a Salsbury, Lambretta or Cushman motor scooter, a Schwinn "Whizzer" motorized bike and a Hawthorne, Hiawatha or Hudson vintage bicycle.

And you could get a history lesson.

"When this one was made," club member Robert Wilkosz said of a 1915 Indian motorcycle, "the metallurgy wasn't developed enough to have the valves encased. The parts couldn't take the heat of being enclosed, so they were all outside with the oil splashing around everywhere. That's how motorcycle boots came to be -- to keep the oil from getting on the riders' legs."

More than 1,000 people came from across Idaho and neighboring states to display, swap, talk about and ogle vintage motorcycles, scooters and bicycles. Nasty weather lowered the number of displays, but not attendance.

"The number of bikes was down from 158 last year to about 110 because the weather's so bad, but the swap meet's going well, and it looks like we have our usual attendance of 1,000 to 1,300," club President Molly Stafford said.

Even with fewer bikes, the show offered a representative sampling of motorcycle mania, from **famous names such as Harley-Davidson**, Triumph, BMW and Honda to the lesser-known likes of Greeves, Maico, Norton and Salsbury.

Boisean Allen Mabe, a self-professed "scooter junkie," has restored three Salsburys -- fewer than 1,200 of which were made during their heyday in the 1940s.

"They were made by Northrop Aircraft Co.," he said. "Their bodies were pressed by a school

bus company."

Mabe recently sold his collection of 107 vintage scooters and motorcycles in Las Vegas in two days, after trying to donate it to museums in Idaho and finding no takers.

Values of the show's motorcycles ran from a few hundred dollars for a Honda Trail 90 to \$20,000 for a 1947 Vincent. The Vincent was designed by a British engineer in a Nazi prison camp.

"He designed it entirely in his head," Wilkosz said. "The design was so good they manufactured it with almost no tweaking. It topped 125 mph right out of the box and was advertised as the best-engineered, most expensive motorcycle you could buy."

Richard Renstrom, a Caldwell author of books on motorcycles, put this year's smaller number of displays into perspective. He helped start the show 26 years ago.

"Two of us put out fliers," he said. "We had it in a park on 23rd Street in Boise. Sixteen people showed up."

GRAPHIC: Frank Perkins, Emmett, admires a 1915 Indian 61-cubic-inch motorcycle while attending the Idaho Vintage Motorcycle Club Show and Swap Meet on Sunday at O'Connor Field House in Caldwell. He came to the show for ideas for a frame he is building. The familiar bright red and gold of a 1941 Indian Spirit Scout owned by Allen McClain of Clarkston, Wash., attracted the attention of motorcycle fans. A wide array of vintage bikes, including Harley-Davidson, Triumph, Ariel, Vincent, Moto-Guzzi and BMW, was displayed for an appreciative crowd in Caldwell. Frank Perkins, Emmett, admires a 1915 Indian 61-cubic-inch motorcycle while attending the Idaho Vintage Motorcycle Club Show and Swap Meet on Sunday at O'Connor Field House in Caldwell. He came to the show for ideas for a frame he is building. The familiar bright red and gold of a 1941 Indian Spirit Scout owned by Allen McClain of Clarkston, Wash., attracted the attention of motorcycle fans. A wide array of vintage bikes, including Harley-Davidson, Triumph, Ariel, Vincent, Moto-Guzzi and BMW, was displayed for an appreciative crowd in Caldwell.

LOAD-DATE: October 13, 2002



GUITARMAKER MOVES INTO HQ FENDER HOLDS OPEN HOUSE AT NEW OFFICES The Arizona Republic (Phoenix) December 12, 2001 Wednesday Final Edition

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December 12, 2001 Wednesday Final Edition

SECTION: NORTHEAST PHOENIX COMMUNITY; Pg. 1

LENGTH: 854 words

HEADLINE: GUITARMAKER MOVES INTO HQ FENDER HOLDS OPEN HOUSE AT NEW

OFFICES

BYLINE: By Bob Golfen, The Arizona Republic

BODY:

Fender is probably the most recognized name in musical instruments. The company's popular guitars and amplifiers appear on stage with the greatest musicians in rock and roll and jazz and with jammin' garage bands everywhere.

Eric Clapton, Jeff Beck, Robert Cray and Buddy Guy all play Fenders. Lategreats Jimi Hendrix, Stevie Ray Vaughn and Kurt Cobain were most likely seenholding Stratocasters, Fender's best-known product.

But how many people know that since 1991, Fender has been a Scottsdalecompany? Or that Fender recently moved its corporate headquarters to bigger, better facilities on the Salt River Pima-Maricopa Community, adjacent toScottsdale?

Last week, Fender Musical Instruments celebrated its move with anopen-house party and "string-cutting" celebration, which marked the official opening of the complex at the new Chaparral Business Center, just across the Pima Road border from Scottsdale. The move, which began in August, was from cramped quarters on Hayden Road to a spacious new building custom-made by Kitchell Contractors for the musical-instrument maker.

The party also celebrated Fender's business partnership with Salt RiverDevco, the Native American community's economic-development enterprise. Community President Ivan Makil and Devco Chairman Faith Camarena were amongthose who cut 8-foot-long guitar strings to open the doors of the Fenderfacility.

"This is Fender's corporate headquarters worldwide," said Bill Schultz, chairman and CEO of Fender. "We're all over Europe, South America and Japan. We do quite well."

Last fiscal year was Fender's biggest ever, Schultz said, with the privately owned company reaching more than \$250 million in sales. When Schultzled a group of investors to buy Fender in 1985 from CBS, the broadcastinggiant, the company was ready to close its doors with annual sales of just \$20million.

Just as with another **famous** U.S. **brand**, **Harley-Davidson**, new owners built the franchise back up, using a combination of heritage marketing and improved quality, until it once again became a world leader. Today, Fender owns the biggest share of the electric-guitar market,

Schultz said, and a sizable shareof the acoustic market, including its Guild brand, which Fender purchased in1995.

"We took it, rebuilt research and development and put quality back in it,"Schultz said. "Reestablishing and enhancing the name has made us a verysuccessful company."

Fender moved to Scottsdale from Southern California in 1991, Schultz said, fleeing onerous regulations, costs and congestion.

The new Fender headquarters is in a 55,000-square-foot building, and assoon as you walk in the door, you know you're in a different sort of corporateoffice. Colorful guitars and basses hang on the walls alongside pictures of the stars.

Step into the individual offices and you find guitars hanging on the walls, with everyone from executives to research technicians encouraged to take themdown and play them during business hours. Nearly every one of about 150employees plays guitar, some of them very well.

"We're an interesting company," said Morgan Ringwald, Fender's publicrelations director. "We're not a bunch of MBAs wearing suits.

"Everyone here, they love music and they love being around it. That's whatkeeps us in touch with reality, what musicians out there want and expect from the name Fender."

Fender builds about 1,200 instruments a day in two main factories inCorona, Calif., and Ensenada, Mexico, including guitars, amplifiers, banjos, mandolins, strings and accessories. Some of Fender's products, such as itsentry-level Squire brand, are made in Korea.

All the research and development, marketing, advertising, Internet and executive functions take place at the new facility, Ringwald said.

"Everything's done in-house," he added, including production of catalogsand Web sites.

One of the main goals is developing new products for Fender. Keith Chapman, Fender's director of digital engineering research and development, is a formerNASA scientist who now helps design the company's new generation of Cyber Headelectronic amplifiers, which can create tones ranging from the funkyvacuum-tube amps of the '50s to the latest techno sounds.

"The current focus is to use modern technology to get vintage sound,"Chapman said. "We're pretty vigilant about sticking to what works. The designstructure is pretty much in sync with what we've always done.

"There's a reason why it worked for 50 years, and we don't want to straytoo far from that."

In that vein, he added, Fender still builds some vacuum-tube amps prettymuch the same as always.

Schultz, who at 75 still has a five-year contract with Fender, said thecompany should grow into the \$300 million to \$400 million range within thenext few years, though overseas competition is increasingly tough.

"We have plenty of room for growth here," Schultz said with a smile. "We'relooking for

acquisitions that fit, broadening our product line here and intensifying our efforts on certain products, such as acoustic guitars. We have a large share in electrics (guitars and amps), but we could do better."

GRAPHIC: Ray Riendeau and Greg Koch practice in the sound room in the new Fender headquarters. Fender recently moved its corporate offices to bigger, better facilities on the Salt River Pima-Maricopa Community.

LOAD-DATE: September 21, 2005



Harley loses role with APD; HOGLESS: The Police Department's motorcycle officers are now riding BMWs with antilock brakes. Anchorage Daily News (Alaska) May 31, 2001 Thursday

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May 31, 2001 Thursday FINAL EDITION

SECTION: METRO; Pg. B1

LENGTH: 588 words

HEADLINE: Harley loses role with APD;

HOGLESS: The Police Department's motorcycle officers are now riding BMWs with antilock

brakes.

BYLINE: By Peter Porco Anchorage Daily News

BODY:

Harley-Davidson, the most **famous name** in motorcycles, may be a king of the American road, but at the Anchorage Police Department, the venerable hog has been deposed.

The agency sold its two Harleys in March and replaced them with a pair of sleek BMWs that arrived Tuesday. The Harley hogs were heavy and cloddish and not fast enough in high-speed chases, said the two officers who comprise the department's motorcycle unit and trained on the new bikes Wednesday.

Even more important, the BMWs come equipped with an antilock braking system, a safety feature available on no other bike, motorcycle officers Jeff Hobson and Joe Masten said.

But Walt Machnicki, sales manager for House of Harley-Davidson and Buell in Spenard, says the police played "dirty pool." He claimed the agency's bid process was biased.

"They said in their specs they wanted bikes with antilock brakes, and that automatically rules out everything but BMWs," Machnicki said. "If antilock brakes were so important, we would not be selling bikes the way we are in Alaska and all across the country."

Machnicki and his staff put together a special high-performance hog for APD -- a 2001 Dyna Defender, with a large 1,450 cubic centimeter engine "kicked up" to 1,550 cc, said Machnicki.

House of Harley offered to let them use the bike for a year at no cost.

The Police Department said no. If the front brakes should lock while the motorcycle is being operated at even moderate speed, a rider can drop the bike and be seriously injured, Masten said.

[&]quot;For one of us to wash out the front, it's not worth it," he said.

Both Masten and Hobson have taken falls while on bike patrol, although neither was seriously hurt, they said. Each man fell while clamping down on the front brake as a vehicle appeared.

They were riding Hondas, however, not Harleys.

The department owns four motorcycles for use by the two officers; two are used for training. The Hondas were acquired in 1993, Hobson said. The Harleys were bought in 1996.

"Seventy percent of stopping in (police) motorcycling is done with the front brakes," Masten said. A locking brake means a skidding front tire, vanishing control and causing potential washout, he said.

The antilock-brake BMWs are popular with law-enforcement agencies in the western states, said Hobson, who pushed APD to get them. Hobson and Masten learned of the advantages of the antilock brakes from city police in Phoenix. The California Highway Patrol has bought hundreds of the new BMWs, Hobson said.

The two officers took the motorcycles out for their first spin on Tuesday. The \$16,000 bikes sparkled in black-and-white enamel and fresh police decals. People in cars and on the sidewalks gawked and commented on them, Masten said.

"We're riding in pairs, and it looks impressive."

All day Wednesday the officers ran the machines through a training regimen in a large shipper's lot at the Port of Anchorage. A forest of Dayglo orange cones on the asphalt marked a biker's challenge course.

Hobson and Masten practiced coming to a complete stop at 40 mph and, without putting a foot down, slowly weaving the bike around an obstacle. They turned Figure 8s in adjacent circles each 19 feet in diameter. They wove through the imaginary debris of a crash at a four-way intersection.

"For more aggressive, in-town traffic enforcement, the BMW is better -- lighter and more maneuverable," Masten said.

"We have to catch up to a car doing 90 miles an hour from a dead stop."

Reporter Peter Porco can be reached at pporco@adn.com and at 257-4582.

GRAPHIC: Photos By Bob Hallinen Anchorage Daily News

Senior patrolman Joe Masten demonstrates the maneuverability of the BMW motorcycle. The Anchorage Police Department has decided to use this brand in place of the Harley-Davidson.

Senior patrolman Joe Masten talks about the Anchorage Police Department's new BMW motorcycles.

LOAD-DATE: February 15, 2007

Mark: GRIST

Harley cruising into hall of fame Milwaukee Journal Sentinel (Wisconsin) April 28, 2001 Saturday

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Milwaukee Journal Sentinel (Wisconsin)

April 28, 2001 Saturday FINAL EDITION

SECTION: BUSINESS; Pg. 03D

LENGTH: 112 words

HEADLINE: Harley cruising into hall of fame

BODY:

Harley-Davidson Corp. of Milwaukee will be **named** to the Marketing Hall of **Fame** in June, a New York marketing association announced.

The company will be honored for its enduring success in the marketplace.

The award will be presented June 6 by the New York American Marketing Association.

The award recognizes Harley-Davidson for rebounding from a lackluster period in the 1960s and '70s to rejuvenate its brand and revitalize the U.S. motorcycle industry. The company has achieved 15 straight years of record earnings.

Harley-Davidson will be honored in the "classic" category, and office superstore chain Staples will be recognized in the "current" category.

LOAD-DATE: April 28, 2001

A strong brand is essential to your CU's success Credit Union Magazine March, 2001

Mark: (Jesus)

THE MEDIA BUSINESS: ADVERTISING -- ADDENDA; Honors for Staples And Harley-Davidson The New York Times April 27, 2001 Friday

Copyright 2001 The New York Times Company The New York Times

April 27, 2001 Friday Late Edition - Final

SECTION: Section C; Column 2; Business/Financial Desk; Pg. 3

LENGTH: 91 words

HEADLINE: THE MEDIA BUSINESS: ADVERTISING -- ADDENDA;

Honors for Staples And Harley-Davidson

BYLINE: By Stuart Elliott

BODY:

Harley-Davidson in Milwaukee and <u>Staples Inc.</u> in Framingham, Mass., are being named to the Marketing Hall of Fame by the New York chapter of the American Marketing Association.

They will be honored June 6 at the annual ceremony presenting the Effie Awards for effectiveness in advertising.

Harley-Davidson will be honored in the classic category, for brands with strong leadership positions for more than 25 years. Staples will be honored in the current category, for brands making their marks in the first 15 years of their introduction.

URL: http://www.nytimes.com

LOAD-DATE: April 27, 2001

Mark: (IRSUS)

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March, 2001

SECTION: Vol. 67, No. 3; Pg. 24; ISSN: 00111066

B&H-ACC-NO: 69225676

DOC-REF-NO: CUG-2058-10

LENGTH: 875 words

HEADLINE: A strong brand is essential to your CU's success

BYLINE: Miller, Mike

Contact Mike Miller at 608-231-4865 or at mmiller@cuna.com.

ABSTRACT:

Competing on the traditional 4 Ps of marketing - product, price, place, promotion - will not cut it in the future. There are too many players all providing similar products with little difference in price. The challenge a credit union faces revolves around one central issue - how does it make membership a compelling experience? Focus must move from creating products in search of customers to establishing close, one-to-one relationships with members.

BODY:

Management guru Tom Peters advises business managers to "brand everything!" Brand your products, your organization, your services, even yourself. Okay, cool. We can do that. We all have logos, right? Therefore we must be on the right track and at least halfway to where we need to be.

Apparently, we're not even close.

I recently attended a forum that explored the future of the financial services industry and the anticipated impact of e-business on our core business.

The attendees included representatives from large bank holding companies, small community banks, insurance companies, brokerage houses, several Internet banks, and a few credit unions. As diverse as the group was, they shared common concerns-how would their organizations face the future and would they be able to compete?

One presenter stood out from all others-Paul Wang, associate professor in the integrated marketing communication program for Northwestern University's Graduate Marketing School in Evanston, Ill. He said organizations must "decommoditize" the value they bring to their customers. To compete in the future, he believes companies need to create one-of-a-kind, can'tget-it-anywhere-else experiences for their customers.

Competing on the traditional four Ps of marketing (product, price, place, promotion) won't

cut it in the future. There are too many players all providing similar products with little difference in price. Almost everyone is delivering their products the same way-faceto-face interactions, telephone call centers, direct mail, and Web sites.

Wang's most profound comments came in response to a question from an executive of a very large bank. The executive explained how his bank had spent years and millions of dollars establishing its brand. He asked, "How will we know when we're done?" Wang responded by telling a story.

It seems there's a product manufacturer located in Wisconsin that provides an excellent example of successful **brand** development and management. The product the manufacturer is **famous** for producing is ironically not its most successful financially. The company is **Harley Davidson.** It generates more income each year from its clothing than from its motorcycles.

Harley Davidson has done an exceptional job of developing its brand. It's so compelling that people from all walks of life want some of the "Harley aura," whether it means buying a \$20,000 motorcycle or a \$20 T-shirt. Some of the most extreme Harley owners and "wannabe" owners demonstrate their loyalty to the Harley brand by having the Harley logo tattooed on various body parts.

His answer to the banker's question is simply, "You know you've done your job creating a strong brand when your customers are willing to tattoo your company's logo on their behinds!"

We can learn a lot from Harley Davidson. The challenge your credit union faces revolves around one central issue-how does it make membership a compelling experience? For it to be compelling, credit union membership must reach each member at a deeply personal, emotional level. Focus must move from creating products in search of customers to establishing close, one-to-one relationships with members.

Peters is right when he recommends that you brand everything. To do that and reach Harley Davidson's level of success, consider these points:

- * Forget the logo. Your credit union's brand has more to do with the experience you provide your members and prospective members than some piece of overdesigned artwork. Establishing a strong brand involves people, not marketing materials and campaigns. Focus on developing a universal understanding of what you want members to experience when they hear your credit union's name. Nike staffers will tell you their brand is more about a lifestyle than a swoosh.
- * Search for your soul. Companies possessing extraordinary brands have something else in common-they have a soul. They pursue a purpose that's greater and more meaningful than sales volumes and profits. Those things are merely fallout from their pursuit of creating a legacy. Working with a shared purpose and creating a legacy are compelling to employees, members, and prospective members. Numbers are not.
- * Take the test. I once asked a Disney executive why the company felt it necessary to form Touchstone Pictures to make PG and R-rated movies. Her response was quick and to the point. "Those kinds of movies just aren't Disney," she said. Disney, she explained, is about family entertainment, and there are some forms of entertainment not suited to every family member.

Develop an understanding among all employees of what is and what is not consistent and representative of your credit union. Measure every product, service, and decision against this standard. No exceptions.

LOAD-DATE: March 20, 2001

Ujesus J Holy Divineson Mark: Christ

following a fixed path; Conveyors, overhead monorails, and wire- or rail-guided vehicles are among the many ways for moving materials. Modern Materials Handling September 01, 2000

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Modern Materials Handling

September 01, 2000

SECTION: EQUIPMENT REPORT; Pg. 53

LENGTH: 1492 words

HEADLINE: following a fixed path;

Conveyors, overhead monorails, and wire- or rail-guided vehicles are among the many ways

for moving materials.

BYLINE: by TOM FEARE, Senior Editor

BODY:

Say you need to move materials along a fixed path. Which handling methods and equipment types should you consider?

There are several handling technologies that can get this job done in manufacturing and in warehousing applications. Floor-mounted conveyors come first to mind, perhaps. Overhead conveyors and monorails are among the other major system categories for moving materials over a set course. Guided vehicles, running either with or without operators aboard them, also traverse a fixed, generally horizontal route. And they do so easily and reliably, with a load of materials.

Overhead systems move loads both horizontally and, to a degree, vertically, of course. Often, the choice of these systems responds to the need to free up shop or warehouse floor space below. In other words, your choice for horizontal movement of inventory may need to have some vertical movement in it too, if the cost/benefit equation works in your favor.

Following Henry Ford's fixed path

Henry Ford pioneered mass production of autos early in the last century. A key concept then involved moving autos progressively along an assembly line by chain conveyor.

In the intervening 80 or so years, conveyor makers have refined and improved upon this concept many times over. And so conveyors remain the materials handling backbone of auto assembly in the U.S. and elsewhere in the world.

DaimlerChrysler Corp., for example, now builds Jeep Grand Cherokees in Detroit using over 10 miles of power-and-free conveyor (Dearborn Mid-West Conveyor, www.dmwcc.com 734-288-4400). Each Jeep vehicle undergoing assembly spends a day and a half riding on power-and-free and other conveyor systems before it's finally ready to roll away to the consumer under its own power.

Why power-and-free at Jeep? Plant engineering manager Mike Colburn says his Jeep plant needs power-and-free's buffering capability. The system's capability for accumulation and storage "protects us from excessive downtime. And it improves our throughput."

Similarly, PACCAR builds Kenworth and Peterbilt trucks near Montreal with overhead power-and-free conveyor as well as over-and-under conveyor (Acco Systems, www.accosystems.com 810-755-7500.) Operating on a mezzanine level much like "a very fancy clothesline," the power-and-free system, says plant manager Gilles Gervais, provides for an uncluttered and safer shop floor environment below it.

Much like the Jeep application, this system at PACCAR also delivers line buffering capabilities. And, under computer control, it correctly sequences specific truck units to the line just as they're needed for further assembly.

Behind another **well-known brand name, Harley-Davidson,** there are several fixed-path assembly systems at plants in Missouri and Wisconsin. Included is the 346 ft tow line conveyor system at Harley's Kansas City, Mo. plant. This variable speed tow system (SI Handling, <u>www.sihs</u>. com 610-252-7321) brings motorcycle units on ergonomic carriers to work cells for progressive assembly along the line. SI execs suggest there's a trend to using tow lines in these kinds of U.S. manufacturing operations.

Auto, truck, and motorcycle makers, of course, have no monopoly on manufacturing applications of fixed path conveyors.

"Keep it simple" is his guiding philosophy behind materials handling, says Dan Lewis, vice president, manufacturing, at Howard Computers, Laurel, Miss. A key system at Howard is a single powered roller conveyor line (Shuttleworth, www.shuttleworth. com, 219-356-8500). The system is laid out in a straight line. "Because the line's a straight shot, we have the visibility to see if we have any flow problems developing," Lewis says.

Fixed-path conveyors (both belt and roller models) combine at QSC Audio Products, Costa Mesa, Calif. so that the fast-paced tempo of making amplifiers keeps up with high demand levels. Conveyor spurs off the main roller conveyor line (Hytrol, www.hytrol.com 870-935-3700) do provide some variability of routing to what otherwise is essentially a fixed path system.

Production of computers and amplifiers are but two more examples of fixed-path conveyorized assembly. And how many warehouses, in today's competitive environment, can thrive, indeed even exist, without using some kind of fixed-path conveyor technology? Conveyors figure in virtually every one of our Warehouse of the Month features.

Suspended from a rail overhead

Power-and-free conveyors can be inverted (floor mounted) as they are in some 8 plus miles of the systems at Jeep. Or they can be installed overhead, as they are at Jeep (2 plus miles) and at PACCAR.

Other overhead systems allowing materials to move on a fixed path include simple patented track and rail/trolley systems. These basic concepts of materials movement via a ceiling-mounted rail then extend into the technology behind the more sophisticated, automated electrified monorail (AEM) systems.

Harley, for one, has opted to install AEM systems (Assembly Test and Technology, www.dtindustries. com 734-522-1900) at several of its Milwaukee-area manufacturing plants for motorcycle engines.

Starting in 1990 with its initial AEM, Harley subsequently modified and expanded these fixed-path systems five times, as of changes last made in 1998.

These five upgrades point up the fact that this supposedly "hard" automation by AEM does permit some revisions. In Harley's case, expansions of the AEM systems were necessary to keep up with rising demand for motorcycles. Thus, AEM installations can be flexible, to a moderate degree.

Along with floor space savings, the AEMs give Harley assembly line workers totally free, 360 deg access to work-in-process units transported on the systems carriers suspended from the overhead track or rail. Line rebalancing and pacing changes also can be quickly made with simple, software programming modifications-often with a phone call and modem link.

In another example of systems featuring a fixed path subsystem, a plastics manufacturer uses an AEM as a means to transport Super Sacks of raw material. The sacks are moved by trolleys operating on the monorail subsystem (Webb-Triax, www.asrs-webbtriax.com 440-285-4630). At an automated storage and retrieval system (AS/RS) unload station, an AEM trolley picks up a palletized sack, lifts it off its pallet, and moves it to one of three mixer feed bins on a mezzanine some 20 ft above floor level.

Guiding by wire, by rail

Automatic guided vehicles (AGVs) using navigational guidance from the fixed paths set by rails, wires, or tapes represent a third, major alternative to the conveying and overhead systems previously described.

Similarly, specialized industrial trucks such as orderpickers, sideloaders, and turret trucks often are rail- or wire-guided when operating in narrow- or very-narrow-aisle rack storage systems in warehousing. Due to the tight squeeze in these NA or VNA systems, there's little margin for error on the operator's part which is why guidance is important.

These AGV or guided lift truck systems can be configured with single or multiple vehicles. Generally, they're bidirectional in the paths they follow.

This issue's Manufacturing Spotlight feature illustrates how Unifi uses wire-guided AGVs to help boost its productivity. An earlier manufacturing story at a Caterpillar plant in Pontiac, Ill., showed how wire-guided AGVs (Schlafhorst Automation, www.saiautomation.com 616-393-0101) transport trays of parts and interface with an AS/RS.

Meantime, at a hybrid, 284,000 sq ft distribution center in Ono City, Japan, the Kansai Coop moves pallet loads of foods in cases by means of STVs (sorting transfer vehicles). This loop system (Eskay, www.eskay.com 800-253-1003) has 22 STVs. The vehicles shuttle between receiving and a storage buffer (see photo on the opening page of the story) over dual rails in this specific application. Single-rail guidance is suitable in other STV systems.

In the U.S., a floor-running STV loop system (Eskay) moves pallet loads among input conveyor, freezer storage, and output conveyor for Keystone Foods in Camilia, Ga.

True fixed-path AGV systems appear to be installed less and less frequently, however. Even

wire-guided AGVs are acquiring more "smarts," more of a roaming capability.

Systems, for example, at the Seattle Times newspaper and at a Home Depot imports DC (AGV Products, www.agvp.com 704-845-1110) run off wire guidance. But they add navigational flexibility through a traffic routing system. This routing system can "unlock" or "lock" a section of wire for movement by a specific AGV. This procedure avoids collisions between this AGV and others in the system.

From conveyors to AGVs, from overhead track and trolley equipment to more sophisticated AEMs, the systems highlighted here demonstrate the wide variety of options when it comes to finding the best system to traverse your particular fixed path from start to finish.

LOAD-DATE: September 15, 2000



WANT YOUR KID TO LOOK LIKE SPORTS STAR? JUST DO IT The Oregonian August 30, 2000 Wednesday

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August 30, 2000 Wednesday SUNRISE EDITION

SECTION: BUSINESS; Pg. B03

LENGTH: 298 words

HEADLINE: WANT YOUR KID TO LOOK LIKE SPORTS STAR? JUST DO IT

SOURCE: ANDY DWORKIN of the Oregonian Staff

BODY:

Summary: Nike licenses its logo to a clothing-maker so that it can make child-sized replicas of team uniforms

Soon sports fans nationwide will be able to dress up their little quarterbacks in a Nike uniform just like Troy Aikman wears.

Beaverton-based Nike's Team Sports division Tuesday said it has signed a deal to license its logo to the Haddad Apparel Group. That means the Manhattan-based company will be able to produce replicas of clothes Nike makes for dozens of college and pro football, basketball, baseball, soccer and hockey teams. Haddad has direct licenses from all the sports leagues, in addition to the new Nike license.

Nike will get a royalty on sales under the multiyear licensing deal. Spokespeople for both companies declined to give any more details about the deal's structure.

Haddad spokeswoman Carrie Cummings said the Nike-licensed clothing "is going to be a huge business" for the family-owned company.

She would not say how big Haddad's sales are. But the company is a big maker of kids clothes under license with **famous brands**, such as Barbie coats and fake-leather **Harley-Davidson** jackets. The company also makes some kid-sized clothing for Nike competitor Reebok International Ltd.

Haddad plans to make Nike-logoed items including replica jerseys of National Football League and National Basketball Association teams, Cummings said. The products will be made in sizes 0 to 20, to fit infants, toddlers and children.

The goods will be sold through retailers that already have a relationship with Nike Team Sports. Products will be available by spring, though some NFL apparel for kids could be ready by this fall's football season, Cummings said.

Nike spokeswoman Monica Rigali said the Team Sports unit has never made child-sized clothing.

LOAD-DATE: September 21, 2000

Mark: JESUS HOLY DOWNESON

Wal-Mart Stores to Exclusively Offer Mary-Kate and Ashley Fashion Line For Young Girls and 'Tweens PR Newswire April 27, 2000, Thursday

Copyright 2000 PR Newswire Association, Inc. PR Newswire

April 27, 2000, Thursday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS, RETAILING AND FASHION EDITORS

LENGTH: 607 words

HEADLINE: Wal-Mart Stores to Exclusively Offer Mary-Kate and Ashley Fashion Line For

Young Girls and 'Tweens

DATELINE: BENTONVILLE, Ark., April 27

BODY:

Wal-Mart will exclusively launch the Mary-Kate and Ashley fashion-forward line of apparel and accessories through more than 2,500 Wal-Mart stores in the United States. The line for young girls and 'tweens, ages 6 to 14, will feature collections for Spring, Summer and Backto-School 2001.

"Responding to the explosive 'tween girls marketplace, Wal-Mart's groundbreaking move recognizes the unprecedented popularity and appeal of the Mary-Kate and Ashley brand," said Ellen Peoples, the coordinating girlswear buyer for Wal-Mart Stores, Inc. "Mary-Kate and Ashley's strong morals and ethics mirror the beliefs our company was built upon. Even as teenagers, they have tremendous respect for the demanding business they are in and have a work ethic second to none. This collaboration would not have happened had they not possessed such evident values."

Dualstar Consumer Products, the merchandise licensing arm for the Mary- Kate and Ashley brand, in association with America's premiere brand licensing agency The Beanstalk Group, has brought the Mary-Kate and Ashley line to Wal- Mart stores across the country.

The senior design team at Dualstar's Central Design Studio, in collaboration with Mary-Kate and Ashley, is creating the seasonal fashion themes and designs for the Mary-Kate and Ashley line. The hip and forward- trending fashion line features a full breadth of products, including sportswear, sleepwear, swimwear, intimates and accessories, among other categories, for young girls and 'tweens.

For more information regarding Wal-Mart Stores, Inc. (NYSE: WMT), contact Elise Garner in Public Relations at (501) 273-4314, option 1. For information regarding licensing, contact Michael Stone at The Beanstalk Group at (212) 421-6060. For information regarding the Mary-Kate and Ashley brand, contact Michael Pagnotta at Reach Media Relations, Inc. for Dualstar Products at (212) 226-1050.

Wal-Mart Stores, Inc. operates more than 2,500 stores and 460 Sam's Clubs in the United States. Internationally, the company operates more than 1,000 units. Wal-Mart employs more than 885,000 associates in the United States and 255,000 internationally. In 1999, the company raised and donated more than \$163 million for charitable organizations. Wal-Mart is located on-line at www.wal-mart.com.

The Mary-Kate and Ashley brand has unprecedented media longevity and success as a leader in family entertainment. Mary-Kate and Ashley's Dualstar Entertainment Group, owner of the billion dollar entertainment and media brand franchise, includes feature films, television series, movies and specials, home video series, book series, video games, fashion

dollars and accessories, and most recently the hugely popular website marykateandashley.com. The Mary- Kate and Ashley brand -- called "as pervasive as Pokemon" by the Los Angeles Times -- delivers a wholesome, fresh, exciting lifestyle to its target audience of loyal young girl and 'tween consumers.

The Beanstalk Group is a full-service licensing and marketing agency headquartered in New York, with offices in Chicago and London. The Beanstalk Group represents the Mary-Kate and Ashley **brand**, and such other world-**famous brands as Harley-Davidson**, The Coca-Cola Company and McDonald's.

SOURCE Wal-Mart Stores, Inc.

CONTACT: Elise Garner of Wal-Mart Stores, Inc., 501-273-4314, option 1; or Michael Stone of The Beanstalk Group, 212-421-6060; or Michael Pagnotta of Reach Media Relations, Inc., 212-226-1050, for Dualstar Consumer Products

URL: http://www.prnewswire.com

LOAD-DATE: April 28, 2000

Vark: CHRISTS

****Lottery Companies Merge, Target Internet 01/31/00. Newsbytes PM January 31, 2000

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Newsbytes PM

January 31, 2000

ACC-NO: 59119239

LENGTH: 514 words

HEADLINE: ****Lottery Companies Merge, Target Internet 01/31/00.

BYLINE: McGuire, David

BODY:

WASHINGTON, DC, U.S.A., 2000 JAN 31 (NB) -- In a bid to establish a controlling presence over the as yet virtually nonexistent Internet lottery industry, lottery licensing firm MDI Entertainment Inc. *today announced that it has inked a deal to purchase fledgling Internet start-up The Lottery Channel.

MDI - a company that licenses **famous trademarks** such as James Bond, **Harley Davidson**, and The Wheel of Fortune for use in state-run lotteries - bought The Lottery Channel in hopes that Internet lottery sales will be legal before year's end, MDI spokesperson Tony Schor said today.

MDI executives feel that they "will see a legalized Internet lottery (market) in calendar year 2000," Schor said.

Should the merger be completed, the merged entity will change its name to Lottery.com.

The Lottery Channel currently administers a popular site called lottery.com where Internet surfers can play games for prizes.

Given the unresolved legal status of Internet lotteries, however, the company does not charge participants to play. As a result, Lottery.com currently relies on sponsorship and advertising for revenues.

While legislation prohibiting Internet betting has been passed by the Senate and is moving quickly through the House of Representatives, the bills in question do contain loopholes permitting online lotteries as well as a handful of other forms of legalized gambling.

"The legislation is respectful of the state's rights to operate their lotteries under their own jurisdictions," Lottery Channel President Roger Ach told Newsbytes today, adding that he is confident that Internet lottery sales will soon get a congressional seal of approval.

Ach will serve as chief executive officer of the combined company.

In a related development, a study released today found that Internet gambling sites don't attract the same kind of "high rollers" who gravitate toward physical casinos.

More than 81 percent of online gamblers will only play games that are free of charge, such as those offered by lottery.com, Greenfield Online's "What Are The Odds?" study found.

And of the relatively small segment of online gamblers that are willing to risk actual money on Internet games, nearly 70 percent put less than \$ 10 on the line per visit. Casino gamblers, by way of comparison, risk an average of \$ 300 per visit, the study found.

Moreover, while 17 percent of people polled said that they derived enjoyment from the social interaction that takes place in physical casinos, only 2 percent of survey respondents described Internet gambling as "fun."

The study, which polled 1,000 Internet users with Internet gambling experience, was done as a part of Greenfield's "Digital Consumer" series of studies. While the study evidence seems to strongly favor "bricks and mortar" casinos, Greenfield spokesperson Mark Fusco says the study was not proprietary and did not rely on financial support from either of the industries being studied.

The survey results are available online at http://www.greenfield.com .

Reported by Newsbytes.com, http://www.newsbytes.com.

(20000131/WIRES ONLINE, LEGAL, BUSINESS/)

LOAD-DATE: February 2, 2000

Mark: JESUS HOLY DOWNESON

Court Backs Utah, Tuition Vouchers; State Wins Right to Tout Snow as 'The Greatest'; Snow Motto Is Utah's, Court Declares Salt Lake Tribune (Utah) October 5, 1999, Tuesday

Copyright 1999 The Salt Lake Tribune Salt Lake Tribune (Utah)

October 5, 1999, Tuesday

SECTION: Final; Pg. A1

LENGTH: 416 words

HEADLINE: Court Backs Utah, Tuition Vouchers; State Wins Right to Tout Snow as 'The

Greatest'; Snow Motto Is Utah's, Court Declares

BYLINE: JUDY FAHYS, THE SALT LAKE TRIBUNE

BODY:

Thanks to the U.S. Supreme Court, Utah tourism promoters can continue to boast of "The Greatest Snow on Earth."

Justices refused Monday to take up Ringling Bros. and Barnum & Bailey's lawsuit over its familiar catchphrase, "The Greatest Show on Earth."

The circus has been in court for more than a decade over Utah's spin on the slogan. Ringling Bros. pushed forward with its case of "trademark dilution," even after the state's Division of Travel Development offered a settlement of \$ 10 million.

The ruling is a victory for the division, which adopted the slogan in 1962, as well as the \$ 550 million ski industry.

"There is a lot of equity in it now," said Kip Pitou, executive director of Ski Utah!, the trade association for the state's 14 skiing resorts and related businesses. "Those who ski in Utah identify us with the greatest snow on Earth, so it [the slogan] is important."

Ringling Bros. did not respond to a request for comment.

But its concern about protecting its **brand** identity was shared by such **famous trademark**-holders as Revlon, John Deere, Listerine, **Harley-Davidson**, Newsweek, Tide, Disney and Bank of America. They filed friend-of-the-court briefs in hopes the justices would overturn lower-court rulings against the circus.

Ringling Bros. sued most recently under a 1995 change to federal trademark law that Utah, with its "greatest snow" campaign, reduced the distinctive selling power of the circus' 1872 trademark. By "dilution," the law meant reducing a famous mark's ability to identify and distinguish goods and services, regardless of any competition between the two trademark owners or the likelihood of public confusion.

The state said skiing and circuses are distinct enough that Ringling Bros. couldn't lose money from anyone mistaking a downhill skier for a dancing elephant. Utah's motto has been in use since it was coined by the late D. James Cannon, the state's one-time tourism director, state lawmaker, gubernatorial candidate and historic preservationist.

Even while touting the "Greatest Snow on Earth" on vehicle-license plates and winter sports promotions, state officials for years have worried about having to recall hundreds of thousands of the plates should the courts rule against them.

They knew all along that Ringling Bros. was bent on stopping Utah's use of the slogan. At one time, a state lawyer noted years ago, the circus said, "We will go to the ends of the earth to stop you from using this phrase."

LOAD-DATE: October 05, 1999



Shake-Up in Light Trucks Is Coming Down the Pike --- New Marketing, Hybrids and Small, Specialized Runs May Have a Big Impact The Wall Street Journal August 23, 1999 Monday

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THE WALL STREET JOURNAL

The Wall Street Journal

August 23, 1999 Monday

SECTION: Industry Focus; Pg. B4

LENGTH: 978 words

HEADLINE: Shake-Up in Light Trucks Is Coming Down the Pike --- New Marketing, Hybrids

and Small, Specialized Runs May Have a Big Impact

BYLINE: By Fara Warner, Staff Reporter of The Wall Street Journal

BODY:

Struggling with slimmer profit margins and overcapacity in the light-truck market, auto makers are rushing to craft new strategies to keep the sizzle going.

The ideas range from rushing out products that create new segments to marketing the same old trucks in newfangled ways. The result could be the biggest shake-up in the U.S. light-truck market since the advent of the four-door sport-utility craze in the early 1990s.

The most eye-catching shift in the truck market will be the onslaught of sport-utility pickups, and light-duty pickups with four car-like doors. These hybrids constitute an entirely new segment that will either cannibalize sport-utility and pickup sales, or expand the market. Either way, the impact could be substantial. Ford Motor Co. *executives predict that sales of hybrid, four-doors-and-a-bed vehicles will equal about 15%, or 300,000 vehicles, of the annual existing sport-utility market.

Ford expects to grab at least half of that 15% with two new vehicles next year, the Ford Explorer Sport Trac and the more truck-like Ford SuperCrew. The Ford models will compete with Nissan Motor Co. *'s four-door Frontier Crew Cab pickup, which was launched earlier this year, and the Dodge Dakota Quad Cab, a midsize pickup with four full-size doors due on the market later this year. By 2001, every truck maker is expected to have some kind of hybrid truck-sport-utility for sale.

At the same time, auto makers are retooling selling strategies for old and new light-truck models in reaction to increasing fragmentation of the truck market.

Ford, which derives 90% of its profit from U.S. truck sales, will for the first time start marketing all of its sport-utility brands under one campaign, "No Boundaries. Ford Outfitters." At the same time, Ford marketers are trying to zero in more closely on the

subcultures of truck and sport-utility buyers.

"People who will buy the Explorer Sport Trac are outdoorsy, but most likely just go camping," says Arik Efros, a Ford marketing executive. "But a SuperCrew buyer is probably the person who would actually build a cabin in the woods."

It didn't used to be this complicated to sell trucks and harvest huge profit margins in the process. But that was when demand for trucks and sport utilities outstripped supply.

But as of this summer, analysts say, supply is starting to outpace demand for the first time in the 1990s. One auto maker already has suffered from misjudging demand. DaimlerChrysler AG was forced to put incentives on its new Jeep Grand Cherokee early this summer. Money talked, and sales surged in July -- but the incentives cut the company's profit significantly.

Despite the financial warning flags, the big players in the U.S. light-truck market are reluctant to tap the brakes on production. Instead, they are still planning to build hundreds of thousands more of them next year. General Motors Corp. is considering switching over its Oklahoma City plant to produce trucks instead of cars. New players Toyota Motor Corp. and Nissan Motor also are jumping into the highly competitive segment with a slate of new trucks and sport utilities that will add more than 100,000 more units to the saturated truck market.

The production frenzy worries analysts who fret that the truck profitability will continue to erode.

"The economics of the truck market are looking more like those of the car market," says Steve Girsky, an analyst with Morgan Stanley Dean Witter. Trucks traditionally have reaped huge margins. For instance, analysts estimate that a new Ford Excursion has about \$14,000 of profit built into it, compared to the new Focus small car, which has just \$700.

But the auto makers believe they can do a better job of keeping margins high and consumers interested than they have done in cars.

Auto makers also are looking at small specialized runs of existing trucks and sport-utility vehicles to keep margins up.

Chevrolet has had great success with the Chevy Xtreme, a truck designed to look like a Los Angeles low rider. Chevy transformed what is a slow-selling compact truck into a sold-out bestseller by adding a few pieces of plastic to make it look tough and lowering the suspension. Chevy charges buyers about \$2,000 extra for the street-rod look, but unlike having the work done on your own, the Xtreme is covered by warranty.

Ford is using its Ontario, Canada, truck plant to build small batches of specialized F-150s, including the hot-rod-like Ford Lightning and the black and orange Harley-Davidson F-150.

The Lightning model is a two-door F-150, a type of truck that has actually fallen out of favor as bigger cabs and more doors have become more popular. But the Lightning has a souped up 5.4-liter V-8 engine that can go from 0 to 60 miles per hour in a sports-car-fast 5.4 seconds.

The **Harley-Davidson** F-150, meanwhile, trades on the macho appeal of the **famous** motorcyle **brand** with black leather seats and accessories, a Harley dashboard ornament,

huge 20-inch wheels and a special exhaust system tuned to put out a throaty, Harley Hog roar. Ford showed off the truck at a huge bikers rally in Sturgis, S.D., earlier this month.

The five-year Ford-Harley arrangement calls for a different type of Harley-inspired truck each year or so. "Our intention isn't to produce so many {black and orange} Harleys that they have to be discounted," says Dee Kapur, vehicle line director for full-size trucks. "We'll do that run up to a point, and then we'll bring out a new cool Harley truck."

Some Sporty New SUVs

With new twists on SUVs, auto manufacturers hope to continue the craze Nissan Frontier Crew Cab

-- Launched: May 1999

-- Sales through July: 6,589 (now 30% of all Frontier sales)

Ford Explorer Sport Trac

-- Launches: 2000

-- Estimated production: 60,000

Chevrolet Xtreme
-- Launched: 1999
-- Production: 11,500
Sources: the companies

NOTES:

PUBLISHER: Dow Jones & Company

LOAD-DATE: December 5, 2004

Aark: CHRISTS

Trump rolls Harley into Taj Mahal The Star-Ledger (Newark, New Jersey) April 20, 1999 Tuesday

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The Star-Ledger (Newark, New Jersey)

April 20, 1999 Tuesday FINAL EDITION

SECTION: BUSINESS; Pg. 21

LENGTH: 1028 words

HEADLINE: Trump rolls Harley into Taj Mahal

BYLINE: Patrick Jenkins, Star-Ledger Staff

BODY:

First it was the Warner Brothers Studio Store. Then it was the Hard Rock Caf. Now Donald J. Trump is bringing in another **famous brand name** to Atlantic City's Boardwalk.

Harley-Davidson - and its rough and tumble image - will become a retailing neighbor of Bugs Bunny and Porky Pig on the second floor of Trump Taj Mahal sometime in May.

There it will join other brands: Stage Deli of New York. The Official All Star Caf. Starbucks. Sbarro, Sunglasss Hut and Cache.

Once considered loud, oil-leaking menacing machines of ticket-wielding cops and outlaw riders, Harley-Davidsons have emerged as the world's premier status symbol, ridden by the rich on Wall Street in the East to the famous on Hollywood and Vine in the West. Even talk show host Jay Leno, a frequent headliner at the Taj, is a Harley devotee.

Technically, the store will be an ARO, alternative retail outlet, for Ben and Brenda Petrovic's main shop in Galloway Township, just nine miles inland. But emotionally, it will present the brand's rumbling aura to passing crowds of people whose only exposure otherwise would be movies or a passing glance on the street.

When open, the store will feature Harley apparel and riding gear, collectibles and souvenirs. It'll have only three actual Harleys - two antique versions and one custom-built model. Could a happy, impulsive jackpot winner ride off on one, at least the contemporary bike?

"We do sell motorcycles," said Ben Petrovic, pondering the question. "Maybe I'll assign someone to just keep building custom bikes."

Trump is fond of using the word "great" when talking about his newest retailer.

"This is a great franchise and a great deal for the people of Atlantic City," he said. "This is another attraction, another sign that people want to come to Atlantic City, and it joins the other great franchises I have at the Taj or the Plaza. It's something I wanted, it has a great

location and it will do very well."

Will he start riding now?

"I'll have to get a bike first," Trump said.

One difference between the mainland shop and the seaside one will be the T-shirts.

"We've got our own designs, about four of them right now, and we'll have separate designs for each shop. They'll blow you away," Petrovic said.

One T-shirt for the mainland shop features a brilliantly colored eagle doing battle with a firebreathing dragon and the words "the strong survive" along with the black and orange Harley-Davidson logo. On the back is a riveting color portrait of the Atlantic City skyline.

"We haven't finished the casino T-shirt design yet," Petrovic said.

Petrovic expects the casino store to increase his business but, more importantly, expose new people to the Harley mystique.

"We hope to give our customers, and others, a good image of Harley-Davidson. Anyone who parks in the garage and walks to the casino will have to pass our store. Maybe they'll stop in," he said.

What is the image?

"It's the modern-day update of the cowboy and his horse, in particular the outlaw," says Patrick Polk, archivist for the folklore and mythology program at UCLA. "You stand out when you're on a motorcycle, especially a Harley because of its power and roaring sound. It's a symbol of freedom, the myth of the unrestrained wildman tearing unfettered across the countryside."

Of course, the vast majority of Harley riders are not outlaws but your average firefighter, cop, teacher, mechanic, or billionaire, like the late Malcolm Forbes, who used to usher Liz Taylor around on the back of his Harley before giving her one of her own.

Although Harley AROs are common in casinos in Las Vegas, Reno and Lake Tahoe, Nev., no dealership has ever opened one in a New Jersey casino. Petrovic, who has operated the Atlantic County Harley franchise for 15 years, figures that's because nobody thought of doing it before.

Now, increased population and the need to diversify the casino industry's attractions have come together to make opening the shop a natural. There is one other factor: Harleys are hot.

The sales tell it all.

In 1986, the company sold 37,000 motorcycles. By 1997, that jumped to 132,000 and last year the figure was 150,000.

"This year we're targeting about 167,000 motorcycles, so we have been increasing production for 13 straight years," said Harley-Davidson corporate spokesman Chris Romoser from company headquarters in Milwaukee, Wis.

The company is still trying to close the gap between supply and demand, Romoser said, contending there are now some places where a motorcycle can be bought right off the floor. "It depends on the model and where you are," Romoser said.

For the most part, at least in New Jersey, there can be a wait of up to two years for some models.

Petrovic said his franchise alone mirrors the company's success.

"I was a dealer through the hard times in the early '80s when motorcycles sat on the floor a long time. Now it's pretty much you don't have a motorcycle for sale on the floor because they're all sold by the time they get here," he said.

The opening of the casino boutique is just part of Petrovic's retail strategy. He has expanded his mainland store to 17,000 square feet of showroom, parts and maintenance on the first floor and a boutique on the second floor, featuring the same riding gear, apparel and other merchandise that will be for sale in the casino.

He intends to put up a deck on the western side of the second floor and open an ice cream shop so people in for maintenance, or just looking, can sit down, enjoy some ice cream, and look out on his antique train engine, which he got in a trade for a Harley from a hobby shop dealer who went out of business.

Harley's Romoser said the casino store will be a plus for Petrovic.

"The AROs offer general merchandise items," he said. "We believe it's a natural extension of the brand, and it introduces Harley-Davidson to new customers that aren't currently motorcyclists."

Now in its 10th year of general merchandising, Harley has 170 AROs worldwide, not counting the dealers who sell the stuff.

"In 1998, the general merchandise business was \$115 million, or about 5.5 percent of our total business, which was \$2.06 billion," he said.

Not bad for a sideline.

GRAPHIC: 1. Brenda Petrovic, co-owner of Atlantic City Harley-Davidson in Galloway Township, sports some of the Harley gear sold in her shop. She and her husband are opening a store in Trump Taj Mahal. 2. The Taj Mahal's Harley store will feature collectibles such as this red motorcycle bank with sidecar.

LOAD-DATE: June 6, 2007

Mark: CARIST

The Children's Footwear Group of Wolverine World Wide Launches First Product Line Business Wire February 4, 1999, Thursday

Copyright 1999 Business Wire, Inc. Business Wire

February 4, 1999, Thursday

DISTRIBUTION: Business Editors

LENGTH: 524 words

HEADLINE: The Children's Footwear Group of Wolverine World Wide Launches First Product

Line

DATELINE: ROCKFORD, Mich.

BODY:

Feb. 4, 1999--Wolverine World Wide, Inc. (NYSE:WWW) announced today that its newly formed Children's Footwear Group has launched its first product line, bringing the Company's portfolio of globally recognized brands to the U.S. children's market in force with the introduction of a full line of children's footwear under the Company's Hush Puppies, Caterpillar, Harley-Davidson and Coleman labels. The brand power of these famous names will give the Company an unmatched presence in the growing children's segment. "The Hush Puppies Children's Division has been one of the fastest growing areas of the Corporation," said John Deem, President of Wolverine World Wide's Casual Footwear Group. "Based on this success, we will be extending our Children's expertise to develop products under several of the Corporation's strongest brands, including Caterpillar, Harley-Davidson Footwear and Coleman. There is an obvious synergy between these brands and the children's footwear market, which we will be leveraging to Wolverine World Wide's advantage." "The Children's Group sales force hit the road in late December, armed with the new, broad-based product line that will appeal to a broad range of customers," said David Bok, Vice President and General Manager of the Children's Footwear Group. "The Children's Footwear Group offers retailers distinct advantages," he explained. "The Group is comprised of specialists who concentrate on nothing but children's footwear. By combining all of our brands under one umbrella, children's retailers will now need to work with only one salesperson and one customer service contact, with combined purchase orders and shipping. This represents a real advance in our business process." Bok also noted that the full range of children's products would be shown at the WSA trade show in Las Vegas, February 9-12, 1999. The Children's Footwear Group is a division of Wolverine World Wide, Inc., the world's largest marketer and manufacturer of work, outdoor and casual footwear for the family. Wolverine World Wide brands include Hush Puppies(R) shoes, slippers, and accessories; Caterpillar(R) Footwear; Harley-Davidson(R) Footwear, Coleman(R) Footwear, Merrell(R) performance outdoor footwear; Wolverine Boots and Shoes(R) work, sport and rugged outdoor footwear, apparel, gloves and accessories; Bates(R) Uniform Footwear; Hy-Test(R) occupational and safety footwear; Tru-Stitch(R) slippers; Sioux-Mox(R) Moccasins and Wolverine(R) All Season Weather Leathers(TM). The Company's premier comfort technologies include Wolverine Fusion(TM), Wolverine DuraShocks(R), Caterpillar(R) C3 and Hush Puppies(R) Bounce, Comfort Curve(R) and HPO2(R).

CONTACT: Wolverine World Wide, Inc.
Thomas Mundt, 616/866-5589
www.wolverineworldwide.com

Today's News On The Net - Business Wire's full file on the Internet with Hyperlinks to your home page.

URL: http://www.businesswire.com

LOAD-DATE: February 5, 1999

Creative Newsletters & Annual Reports: Designing Information; Review Booklist November 1, 1998

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ASAP
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Booklist

November 1, 1998

SECTION: Pg. 473 Vol. 95 No. 5 ISSN: 0006-7385

ACC-NO: 55053831

LENGTH: 165 words

HEADLINE: Creative Newsletters & Annual Reports: Designing Information;

Review

BYLINE: Jacobs, Barbara

BODY:

Street, Rita and Street, Roberta. Creative Newsletters & Annual Reports: Designing Information. Dec. 1998. 144p. index. illus. North Light, \$29.99 (1-56496-430-2). DDC: 070.5.

It's the sort of collection any visually stimulated reader would drool over: annual reports and newsletters created by some of the top designers in the country. The good news about this book is that there are no automatic kudos or expressions of "oh, you're so wonderful." The authors expect the reader to have to work hard to achieve creativity in composing reports and newsletters. Every element of the process, from typeset to budget concerns, is scrutinized with care and expertise. The better news is that the narrative tackles problematic issues and how they can be solved. Some of the more **famous** company **names** in the U.S. are featured as outstanding examples--including a **Harley-Davidson** annual report and a Saturn newsletter. In addition, a gallery at the end of each section reviews other examples in brief.

LOAD-DATE: March 14, 2008

Mark: Ceaus 1

HARLEY HAVEN; HAMMERHEAD CLASSIC FEATURED FANCY MOTORCYCLES AND CAMARADERIE - PLUS BIKERS; LEFT BEHIND \$ 10,000 FOR THE LEUKEMIA SOCIETY. The Virginian-Pilot (Norfolk, VA) May 1, 1998, Friday,

Copyright 1998 Landmark Communications, Inc.
The Virginian-Pilot (Norfolk, VA)

May 1, 1998, Friday, FINAL EDITION

SECTION: VIRGINIA BEACH BEACON, Pg. 06

LENGTH: 1000 words

HEADLINE: HARLEY HAVEN;

HAMMERHEAD CLASSIC FEATURED FANCY MOTORCYCLES AND CAMARADERIE - PLUS

BIKERS;

LEFT BEHIND \$ 10,000 FOR THE LEUKEMIA SOCIETY.

BYLINE: BY BILL REED, STAFF WRITER

BODY:

SOME 10,000 BIKERS roared into town last weekend, but most Beach residents weren't aware of it. The bikers kept mostly to themselves at a secluded, sun-drenched campground for relaxation, entertainment and camaraderie.

And when they left Sunday, neither resort merchants nor Oceanfront police could say for certain that they made any measurable impact on the local economy or the peace and tranquillity of the community. What they did do was leave behind \$ 10,000 for the Leukemia Society of America, which was the main reason for their being here. There were other reasons, too, said event organizer John R. Riley, who called it the "first annual" Hammerhead Bike Classic in Virginia Beach. It was a two-day gathering at the Holiday Trav-L-Park on General Booth Boulevard. A compelling attraction for most bikers was seeing and being seen with their powerful, shiny machines bearing such names as "Fat Boy," "Sportster," "Lowrider" and "Ultra Glide," all of which are manufactured under the famed Harley-Davidson logo. Polished and buffed to a sheen, the mechanical steeds were parked in a semi-circle on the periphery of a grassy field at the campground. There other bikers could saunter by on foot and leisurely drink in the details and the craftsmanship that went into the making of the machines and discuss them at length with each other. Ex-Navy man Mark Alexander, 39, who road from his Prince George County home Saturday morning on his 1980 shovelhead engine Harley, was one of them. "I like to look at the bikes better than going to the shows," said Alexander, a strapping 6-footer whose flowing red hair and slightly graying beard earned him the nickname "Strawberry." Riley, owner of Hammerheads, a resort nightspot, said bikers stayed mostly in the self-contained Holiday Trav-L-Park grounds over the weekend, venturing out only to participate in a two-day "poker run," or "observation" rides. Otherwise they stayed put and took part in other activities. These included concerts Saturday and Sunday featuring country-western stars Pam Tillis and Delbert McClinton, silent and live auctions and a variety of motorcycle safety demonstrations, field events and - of course - a bike show. If that was not enough, bikers could saunter among 40 to 50 tents where vendors hawked everything from motorcycle helmets and occult videos to fake teeth and leather bikinis. The Tillis concert Saturday afternoon drew some 6,500 ticket-paying spectators, said Riley, while McClinton attracted 3,000. "All activities were down here," said Riley. "They would start at 10 a.m. and end at 8 p.m. each day. Everybody was pretty tired at the end of the day. That's why there weren't

any problems." In addition, Riley pointed out, "There were a lot of families out here." "Family event" was the operative image Riley and many attendees sought to project to city officials, resort merchants and city residents. Many of those on hand were average working stiffs and professional people who share an intense interest in motorcycles, he said. "They aren't like the outlaw bikers of the '50s and '60s." It was not unusual to see the new breed of bikers arrive with campers, recreational vehicles and tents, along with their shiny Harleys. When they settled into camp sites, the smell of barbecued meat began wafting from grills and groups of children began scampering among the tall pines and maples that form a canopy over the campgrounds. It looked, for all the world, like a typical tourist gathering and Capt. James Cervera, commander of the 2nd Police Precinct, which oversees most of the city's Oceanfront, could recall few - if any - problems resulting from the presence of the bikers. "I got the statistics and it was just like a summer weekend," he said, referring to arrest records and statistics on traffic violations. "So, from my perspective that rally had no impact on us." Richard Maddox, president of the Resort Leadership Council, an umbrella organization representing a cross-section of Oceanfront businesses, said he had heard little feedback from fellow merchants about the bikers. "I didn't see many bikers down here on Atlantic Avenue at all," he said. James B. Ricketts, head of the city's Convention and Visitor Development Department, could offer no conclusive evidence that the rally had either a positive or negative influence on local tourism. "It's too early to tell," he said. "We haven't received any sales receipt figures yet - but I haven't heard anything from the (tourism) industry about it." Riley, meanwhile, is sanguine about expanding the event next year. "Hopefully," he said, "the city will get involved next year - after they've seen what we've done this year. We're going to try to do it on Atlantic Avenue next year, so the merchants and restaurants can benefit. We're going to try to have one big concert, then have the rest of the activities on Atlantic Avenue." Riley's original plans for a biker rally on the resort strip this year got a chilly reception from the Virginia Beach Hotel and Motel Association. President James H. Capps and fellow hoteliers nervously argued that the resort Oceanfront was far too small to contain an army of bikers. Subsequent efforts by Riley to stage the rally at state-owned Camp Pendleton, along General Booth Boulevard, were dashed by the Virginia National Guard. Riley has held mini-biker rallies at the Oceanfront in previous years without creating a public stir. The first was in February 1996, called the "Polar Bear Ride," which drew 650 motorcyclists to the Oceanfront and raised \$ 2,000 for the Foodbank of Southeastern Virginia. The second was in March 1997, which attracted 1,800 bikers and raised \$ 1,300 for the Special Olympics. In coming years, Riley hopes to see Virginia Beach biker rallies rival those held in Daytona Beach, Fla.; Myrtle Beach, S.C., and at Sturgis, S.D. These events draw hundreds of thousands of bikers from across the country each year.

GRAPHIC: Staff photos by DAVID B. HOLLINGSWORTH; Color Cover Photo by David Hollingsworth

(motorcycle riders)

Brian Johnson, left, and Jenny Groff were among some 10,000 bikers who rode in the Hammerhead Bike Classic.;

Ex-Navy man Mark "Strawberry" Alexander, 39, locks his 80 shovelhead engine Harley after arriving at the Holiday Trav-L-Park on General Booth Boulevard Saturday morning.; George Crowner, left, of Virginia Beach, and Janet Edwards of Williamsburg walk through the exhibit area.;

Pam Carroll checks her hair in the mirror of her husband's motorcycle after arriving at the Holiday Trav-L-Park on General Booth Boulevard.

LOAD-DATE: May 2, 1998

Mark: CORIST

Big Bikes for Boomers CNNFN February 12, 1997 Wednesday

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SHOW: THE MOST TOYS 07:30 PM Eastern Standard Time

February 12, 1997 Wednesday

Transcript # 021302CB.L15

SECTION: Business

LENGTH: 431 words

HEADLINE: Big Bikes for Boomers

BYLINE: Jody Davis

BODY:

JODY DAVIS, CNNfn ANCHOR, THE MOST TOYS: Well, blame it on a mid-life crisis epidemic or the call of the open road. (19:38:00) Any way you look at it, motorcycle sales continue to accelerate, led by some of the biggest bikes in the business.

(BEGIN VIDEOTAPE)

DAVIS (voice-over): Whoever said "Bigger is Better" must (19:38:10) have been referring to the motorcycle industry. Super heavyweight bikes or "cruisers" have exploded in popularity over the past 5 years and show no signs of slowing down. (19:38:20) Some 123,000 cruisers were sold in the U.S. last year, more than double the amount sold 5 years earlier. They brought in \$1.18 billion, (19:38:30) almost half the revenue for the entire industry. At the core of the cruiser craze, 40- and 50-something baby boomers looking for new ways to spend free time.

STEVEN EISENBERG, ANALYST, OPPENHEIMER & CO.: The core (19:38:40) buyer is getting older. That core buyer is also getting wealthier and that core buyer demands a high-quality bike, (19:38:50) generally a super- heavyweight, something you can take longer distances, and that is the direction the industry is going.

DAVIS: Harley-Davidson() has been going that direction for years. (19:39:00) It only produces big bikes and sells every one it makes year after year. Harley, of course, sells not just bikes, but an American lifestyle.

LARRY LITTLE, PUBLISHER, CYCLE WORLD: Harley's done a very, very good job (19:39:10) of marketing what **Harley-Davidson** is and positioned Harley as a company to their customer.

DAVIS: But Harley's most **popular** cruisers come with an unwanted feature, a waiting list (19:39:20) that in some cases is more than a year.

RANDY DUNN, HARLEY-DAVIDSON MOTOR: We do have plans to meet customer demand by the year 2003. We are planning on making 200,000 motorcycles.

DAVIS: That's 54 percent (19:39:30) more than will be made this year. Harley's inability to meet demand has opened the door for Japanese manufacturers, and they have barged in. Companies like Honda() and Kawasaki() (19:39:40) have added cruiser models in recent years with much success. The Japanese now own almost half the U.S. cruiser market. Analysts say sales of (19:39:50) sport bikes, off-road bikes and other sectors are flat. They appeal mostly to younger, less affluent riders. Then again, the number of 40- and 50-somethings will grow by (19:40:00) 11 million over the next 10 years.

(END VIDEOTAPE)

DAVIS: Analysts say that will fuel continued double-digit growth in cruisers, both American and Japanese. (19:40:10) and BMW too.

END

LOAD-DATE: July 16, 2003

Mark: (HRIST)

BEST BETS; VENTURA COUNTY WEEKEND Los Angeles Times June 20, 1996, Thursday,

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June 20, 1996, Thursday, Ventura County Edition

SECTION: Calendar; Part F; Page 1A; Zones Desk

LENGTH: 688 words

HEADLINE: BEST BETS; VENTURA COUNTY WEEKEND

BODY:

TODAY: ONE LOUD NIGHT

Alice Cooper, the "Master of Shock Rock" will be bringing his theatrical rock extravaganza to the Ventura Theatre tonight. The Cooper show, equal parts heavy metal, testosterone, Maybelline and Freddy Krueger, will draw upon a career that has spawned a score of albums, including "Billion Dollar Babies," "Muscle of Love" and "Killer." And as long as there are teenagers, songs such as "I'm Eighteen" and "School's Out" will never die. Opening the show and making a convincing case for punctuality will be Ventura rockers Fearless Vampire Killers, four guys who could make a statue's liver quiver, playing no quiet or slow ones. FVK has drawn up to 600 people on their own to the venue during several Local Rock Night gigs. Opening bands are supposed to begin at 8 p.m. The price is a scary \$ 32.50. Call the venue at 648-1888.

SATURDAY: ONE FOR THE ROAD

Are you ready for a weird gig? Did you miss the Surf Punks and Journey in Hawaii a few years ago or, more recently, the Hymen Blasters and the Young Dubliners at the Ventura Theatre? Well, here's one that more than holds it own on the weirdness scale: 2 Lane Blacktop and the Bay City Rollers at Nicholby's in Ventura.

2 Lane Blacktop, named after a 1971 cult movie, is a boozy and bluesy rock band out of the Bay Area, sort of like Raging Arb & the Redheads, except with more twang. They have an album that came out last year that begins with the mother of all bad advice: "Let's get drunk and start all over again." And didn't the Bay City Rollers--with the original lead singer--do a bunch of bubble-gum pop songs many of us have been trying to forget? Nicholby's is upstairs at 404 E. Main St. Tickets are \$ 8, with 2 Lane Blacktop opening about 9:30 p.m. Information: 653-2320.

IT'S A GAS

From 1971 to 1988, the roar of speedway motorcycles and all that methanol smoke filled the Tuesday night sky above the Ventura County Fairgrounds as riders with no fans, no tans and no brakes went fast, turned left and fell over at the Ventura Raceway. Speedway motorcycle racing has been gone for eight years and, since then, the high-banked dirt oval has become a big-time auto-racing venue, often featured on ESPN. But two-wheel fans can once again thrill to some old-time racing Saturday night at the Fifth Annual Vintage Short

Track Races.

Famous names such as Indian, **Harley-Davidson**, Triumph and BSA will rev it up along with some lesser-known models such as Matchless, Crocker and Flying Merkel. Collectors, racers and retired racers will kick up some dirt on the one-fifth-mile oval in races beginning at 7 p.m. Practice begins two hours earlier.

The announcer will be the ever-witty Bruce Flanders, opening-night announcer for the firstever speedway race at the Ventura Raceway in 1971. Admission: \$ 12, children under 12 free.

On Sunday, it's the Ninth Annual San Buenaventura Antique & Classic Motorcycle Show & Exchange at the fairgrounds, 10 W. Harbor Blvd. Admission for this event, which begins at 8 a.m., is \$ 5; children under 12 free. Information: 650-6777.

UP THE COAST

- * It's wacky, it's eclectic and it attracts throngs of sun worshipers and good-time revelers. Yep, it's the annual Summer Solstice Celebration, Santa Barbara-style. On Saturday the downtown area will fill to capacity as the festival highlight, the free-spirited noon parade, romps along State Street. From 1 to 5 p.m., Alameda Park will play host to the Family Festival, where lots of activities and entertainment can be had. Then it's over to the County Courthouse Sunken Garden for an evening program that includes Latin jazz, classical strains, dancing and much more. On Sunday afternoon, festivities return to the garden at 2:30 for the Santa Barbara Symphony's Tiny Tots Family Concert. All events are free. Call 965-3396. Internet site: http://www.silcom.com/solstice.
- * The Santa Barbara Chamber Ballet will celebrate its 10th anniversary when it presents "Swan Lake" at 8 p.m. Friday and Saturday at the Lobero Theatre, 33 E. Canon Perdido St. Tickets: \$ 17.50, \$ 10 senior citizens and children 12 and under. Call 963-0761.

GRAPHIC: PHOTO: Alice Cooper

LOAD-DATE: June 20, 1996

JESUS HULY DRYMESON Mark; CHRIST

ZIPPO MANUFACTURING CO. Journal of Commerce February 3, 1995, Friday

Copyright 1995 The Journal of Commerce, Inc. Journal of Commerce

February 3, 1995, Friday

SECTION: FOREIGN TRADE, Pg. 4A

LENGTH: 851 words

HEADLINE: ZIPPO MANUFACTURING CO.

BYLINE: MARIA CARLINO; Special to The Journal of Commerce

BODY:

Hey Joe, got a light?

American soldiers pushing their way through battlefields in Europe and Asia during World War II scored a victory not only for their country but also for the maker of a cigarette lighter back home that has since made a name for tself thanks in part to the GIs.

Zippo Manufacturing Co. in Bradford, Pa., allocated all its brand-name lighters to the U.S. military during the war. As U.S. soldiers moved across country lines they often carried Zippo lighters, giving them away as presents or using them as barter. The company's lighter became known as the GI lighter.

A few years later, Zippo started to market the GI lighters abroad. By 1994, Zippo was selling the "D-Day 50th Anniversary" lighter series among other collector's series to 94 markets. Export sales last year accounted for 58 percent of total sales of the privately held company, a 1994 "E" Award winner.

"We position our products these days more as fashion accessories and collectibles," said David Seymour, Zippo export manager for the Far East.

"Our distributors tell us that Europeans want to buy into 'the American Dream' and the Zippo lighter is perceived to be part of this dream."

Collector's items include the Wild West series, the Presidential series and Desert Storm lighters. Zippo has also developed series employing **well-known trademarks** or personalities such as **Harley Davidson** and Elvis Presley.

Japan, where Zippo-**brand** products account for more than 50 percent of reusable, non-disposable lighter sales, is the company's largest market. England, France, Germany and Italy are all big markets for Zippo, as are Australia, Indonesia, South Korea and Singapore, Mr. Seymour said.

Mr. Seymour said Latin America, where sales grew more than 100 percent last year, is Zippo's fastest-growing region in percentage of export sales. The company has achieved the most success in Argentina and Venezuela, he said.

Company Data: Chief executive: Michael A. Schuler, president.

Headquarters: Bradford, Pa.

Employees and facilities: Zippo employs more than 11,000 people. Twelve full-time employees and 709 part-time employees are involved in Zippo's export business. Most of the staff work at the 73,189-square-foot corporate headquarters in Bradford. Others work at the 308,884-square-foot factory in Niagara Falls, Ontario, just north of Bradford.

Distributors in 94 countries market Zippo's products.

Basic business: Zippo manufactures reusable liquid fuel lighters, writing instruments, knives, money clips, rules, key holders, key rings and lighter and writing instrument accessories. The products serve as souvenirs or corporate gifts in addition to being used as cigarette and multiuse lighters.

Export Strategy: Zippo prides itself on being the global market leader in the reusable lighter field. In addition to Zi ppo's liquid fuel lighters, reusable butane gas lighters and turbo lighters are sold.

Zippo keeps a close watch on all markets where its products are sold in order to prevent widespread illegal use of its logo. The company has taken legal action against trademark violations in Thailand and Turkey.

Zippo also has developed a system to deal with parallel imports, whereby products are exported to a market by parties other than official distributors.

Zippo has encouraged buyers to import products with special engraved or imprinted designs, enabling the importer to offer a custom product not available to unauthorized distributors. This way the official importer can realize a full profit margin without having to cut prices in order for his products to compete with the illegal imports, Mr. Seymour said.

More than 85 percent of Zippo's international sales involve engraved or imprinted products.

Zippo has cut down on parallel imports significantly since it adopted in 1993 a two-tier pricing system, whereby all products shipped abroad were marked 10 percent to 15 percent lower in price than the best domestic wholesale price.

Zippo believes flexible policies and taking distributors' suggestions into account are keys to success. In Japan, for example, the company has granted distributors' requests to put custom finishes on its lighters, a move which has led to sales increases there and new decorating ideas for lighters sold in the United States.

The Zippo Manufacturing Co. Story: Zippo was founded 62 years ago by George G. Blaisdell under the motto: "Build your product with integrity, stand behind it 100 percent, and success will follow." It did.

In the mid-1940s, Zippo began exploring export markets in Asia through an export management company. By the 1950s Zippo was dealing directly with suppliers in Europe and the Caribbean. The number of accounts in Europe gradually expanded through referrals from existing distributors, direct inquiries from overseas distributors and marketing efforts by sales executives during visits abroad. Since then, the lighters have become collector's items for buyers worldwide.

George Blaisdell's two daughters, Harriet Wick and Sarah Dorn, and their children own the

company.

EDITOR-NOTE:

E AWARD-WINNING EXPORTERS

GRAPHIC: ILLUSTRATION: PHOTO;;

Schuler

LOAD-DATE: December 12, 1996

Mark: JESUS NOLY DOVINESUM

GENERAL PUBLISHING GROUP CELEBRATES THE HOLIDAYS WITH SOMETHING FOR EVERYONE PR Newswire November 15, 1994, Tuesday

Copyright 1994 PR Newswire Association, Inc. PR Newswire

November 15, 1994, Tuesday

SECTION: Entertainment, Television, and Culture

DISTRIBUTION: TO ENTERTAINMENT AND FEATURES EDITORS

LENGTH: 434 words

HEADLINE: GENERAL PUBLISHING GROUP CELEBRATES THE HOLIDAYS WITH

SOMETHING FOR EVERYONE

DATELINE: LOS ANGELES, Nov. 15

BODY:

General Publishing Group celebrates the holidays with something for everyone:

"Gibson -- 100 Years of an American Icon" (\$40)

B.B. King, Slash, Les Paul, Neil Young, Chet Atkins, Pete Townshend and Jimmy Buffet all have something in common. What is it (besides calluses)? ... Gibson guitars.

It began in the 1890s when a young instrument maker named Orville Gibson founded a small banjo and ukulele company in Kalamazoo, Mich. A century later the Gibson **name** is as world **famous** as Coca-Cola and **Harley Davidson**. Written and researched by Walter Carter, a leading expert on fretted instruments, with contributions from the top guitar writers of the day, this beautiful coffee-table edition chronicles Gibson's illustrious history and influence on a century of music. Included are over 800 rare and historic archival photographs. Turning 100 has never sounded so good.

"Portraits of Life, With Love" (\$30)

An unparalleled gathering of Hollywood's greatest collaborate to send a message of hope. Over 100 of the world's most famous stars, including Elizabeth Taylor, Whoopi Goldberg, Whitney Houston and Patrick Swayze, have lent their faces, voices and hearts to this stunning photographic essay. Photographer Joan Lauren captures these celebrities in intimate settings with their families, friends, pets and children. Royalties from this coffee-table treasure will fund summer camps and provide direct hands on care services for children and their families living with HIV and AIDS. Never before have so many celebrities joined together for such a worthwhile cause.

"All My Children: The Complete Family Scrapbook" (\$25)
Over 16 million viewers can't get through a weekday without escaping to the town of Pine Valley, home to the characters of ABC's highly rated daytime drama, "All My Children." On the eve of the show's 25th anniversary, fans can revel in its history with this colorful coffee-table volume, which chronicles the lives of America's most

intriguing residents through photographs, behind-the-scenes anecdotes and little-known trivia. Readers can recall the mythical town's best-known weddings, scandals, mysteries and celebrity visitors. Written by soap expert Gary Warner, with an introduction by the show's creator Agnes Nixon, this scrapbook is a perfect gift for anyone who has fled to Pine Valley for an hour's retreat from their own nutty lives.

CONTACT: General Publishing Group Publicity, 310-915-9000

LOAD-DATE: November 16, 1994

Mark: (HEIST)

Harley Davidson Celebrates Its 90th Anniversary CNN June 10, 1993

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View Related Topics

NEWS

June 10, 1993

Transcript # 415 - 4

TYPE: Package

SECTION: News; Lifestyle

LENGTH: 511 words

HEADLINE: Harley Davidson Celebrates Its 90th Anniversary

BYLINE: JEFF FLOCK

HIGHLIGHT:

Harley Davidson celebrates its 90th anniversary this week, and thousands of owners have rolled into Milwaukee, the company's home town, to honor the only remaining U.S. motorcycle manufacturer and its history.

BODY:

PATRICK GREENLAW, Anchor: You know, to motorcycle fans, the word 'hog' has a very special meaning - it's the Harley Davidson motorcycle which celebrates its 90th birthday this week. And, thousands of owners have rolled into Milwaukee - that's the company's home town - to honor the only remaining U.S. motorcycle manufacturer and its history.

More from CNN's Jeff Flock.

JEFF FLOCK, Correspondent: They started in the shadow of the Lincoln Memorial and the Golden Gate Bridge - from east and west, north and south, they came to Milwaukee for a love-fest for the Hog.

JOHN VODDE, Harley-Davidson Owner: It's like chasing a girl down the street - you see her walking by, and you've got to get up and chase her. It's the same thing with these old motorcycles.

FLOCK: [film clip of many different kinds of Harleys] Not just any motorcycles - Hogs - Harleys - thousands of them - old Hogs - new Hogs - red Hogs - blue Hogs - his Hogs - her Hogs - junk Hogs - fur Hogs.

RON STRATMAN, 'Old Buff': [film clip of a man with his motorcycle] If I pull into a bike show and there's 100 bikes in there, and they're all glistening chrome, then this one stands out.

FLOCK: Not easy here - 60,000 bikes and bikers expected for the 90th birthday of a company that has roared back from near bankruptcy.

[film clip of factory assembly line] This is where they put together the heart of the Harley - the engines. They turn out about 100 of these XL engines a day at this assembly plant outside Milwaukee, and the fact is, they can't make them fast enough.

They made about 80,000 motorcycles last year, and could have sold 100,000. Why?

1st HARLEY FAN: You'll see people here walking around with Harley Davidson tattooed on their body, and that's what you call commitment.

FLOCK: Harley President Jeff Bluestein [sp?] says it's the people.

JEFF BLUESTEIN, Harley President: [film clip of rough-looking people with Harley tattoos on their bodies] I think if you'll look around you'll see that people who are riding Harleys are just the people next door.

FLOCK: I wonder where he lives.

[film clip of people wearing shirts and vests with Harley symbols on the backs of them] The **popularity of the Harley Davidson,** though, is unquestioned as attested to by the backs of the shirts of the members of the Harley Owners Group which is where the H.O.G. - Hog comes from.

DONNA LOKER, Harley Owners Group: This is Little Miss Piggy. I had a plaque - it said 'Little Miss Piggy - built by Porky.' Well, my husband doesn't want to be called 'Porky' anymore, so he took the plaque off. It was so cute.

FLOCK: The Harley birthday party includes tests of speed, tests of style, tests of agility, which leaves the question - what is the allure?

2nd HARLEY FAN: Freedom, you know. Being out there being able to do your own thing. You're with a group of people, but at the same time you're by yourself on your own bike.

FLOCK: That's about the best we'll get as the hoggers, themselves, 'If I have to explain it to you, you wouldn't understand.'

I'm Jeff Flock, CNN in Milwaukee.

The preceding text has been professionally transcribed. However, although the text has been checked against an audio track, in order to meet rigid distribution and transmission deadlines, it has not yet been proofread against videotape.

LOAD-DATE: June 11, 1993

Mark: JESUS ABULY DIVINESON

U.S. CRACKS DOWN

23 CENTS

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Commende to substitute of the trape to by greet

VOLCXLI.... Na ABBB

American Business Starts A Counterattack in Japan

Long-Term Commitment Is Needed for Suss

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mones definition marked he the wearld, torcyches a year, Mr. Bissussasia sabd, President Bush's ill-starred visk with the number still risking aboutly.

chip technology are calling profile at Japan's electronics glassia. Page Cl. Stonering, surkes of conventiment electronics gasoute such abilitie he comparates Electronics Stump in Japan

On Sex Abuse by Catholic Priests Inquiry in Chicago Breaks Silence

eures that have bed to the broketressen of gratteting prises from a diocesse near a parish prisest and the removal of five (Chrospo byfred har into at the age of 14, others, the Romes Carbeite Aechasha issue-sens-deal-death-suifters dealy flagh-Shaken by a secrossiston of disector (Clark said of the being-tor that as ter-

tracks despicts with Japan — See bedie that was had

The Tiese is New

have gesteen much bester." you want to be competitive in this

The attractions are simple. With creasingly acquaitive, wanting many citizens, Japan's market consumes large amounts of Imports, and the

Continued on Page Cs. Column 3

CHASSOFIEM But, Russia Asks, Is That Smart? tecture computer chips. And this is ATMS Factory Can Make Bricks, the time to to K. The exportanties of the supportanties of the suppor

The Olympic flag being taken down as the 1868, Winter Olympics ended yesterday in Albertville, France. In the last action, the team from the former Bovies Union best Casada, 3-1, in bockey. Sports, page 83.

The Winter Olympics Come to a Close

By CELESTINE BOHLEN

ers' peradise that weakl offer tax breaks in return for dollars carsed the city produced the lites A& 47 cities inselects of weapons, and military tech-which became perhaps the world's nobegy." Mr. Make, seed has a radio most popular automatic and arguably interview souths his whittened wour of IZHEVSK, Russia -- Gurs have at 1 the capital, two an arms manufactur-"This republic is case of the mighthest This is its export potential. the Ural Mountains was a ramahackie from export sales. labevek's business, even ans when this city on the western edge of outpost of the czar's empire. In 1947, most popular automatic and argushly one of the best known products of the Soviet Union's vaunited and secretive military-industrial complex.

positive with any Western firm, to keep world-class arms manufacturer, com-Today, nine months after officially, which once accounted for more than 18 ening its doors to the outside world,

MADE BEFORE 1976 ON HEALTH DEVICES

F.D.A. Turns Its Attention From Breast implants to Other Products Predating Law

STRICT TESTING REQUIRED

By PHILLP J. MILTS

WASHINGTON, WAS IN . I'M MAN law went into effect governing Fed of the older products but set no time and Druga, David A. Keasler, is making face restrictions on their products. oducts were in use before 1876, w breask implants, which arai approvat of new table. Now the

TO HONORIC LINE doors and known obecirical brasis atimu-Among the products sow facing som a priority of such reviews. eens implants for the eye. A top agency official astd today:

Drugs may be to your system for a day or a week, but meny devices are in for Official Press Urges the Use of Elements of Capitalism

By MICHOLAS D. KRISTOP

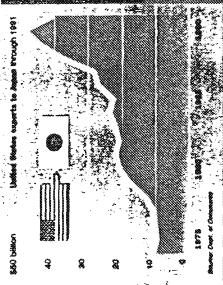
from the ge easer to today's editions of reactions to drugs and devices is poor.

on beck to practically medical-derivance, becknessing the transferred to attack bethe part of the transferred to marine that some forther interview acting his whittened wour of PRIJING, Feb. 23 — ha a strong sign freview not set Udmurtis with an enloar-age of Rus. of shuting postucial wholes in China. the not jested & shan captured in the set of the control of the control presents. This is the special of the tiny when the control posterial is the control posterial. The purposess was reflected in a behieved that last two years and has started instead the law 1973 BRIJING, Feb. 23 - In a strong sign charing away the experts and dismain to call on the nation to emphasize ecothing the equipment, I proposed to Pres. more is growth and even adopt useful idean Yelisky to make Udmunia a elements of capitalisms.

"And instead of destroying all this,

How Exports to Japan Have Fared

Continued From Page Al



Yes New York Time

y a big market, but in

Playing by Japan's Rules One American Victory

BY JAMES STERNGOLD

were two American companies that hewed to the rules of what any say is required to success Apertoling the Mero Yars, Thoons

the lough Japanese market it.
Is hager-Daza and Bordes ker
cream They found strong local
partners, pursued a clear inche in
the market and labored to build an image of quality for their prod-

dominant Borden is struggling to hold on to its abate of the premium ke cream market after a measy divorce from its Japanese partner while Haagen Daza is exhe results? Today the once

can companies toughing it out in Japan is that there is no magic formula for success — except an extraordinary commitment that moral of this and the other stories of the thousands of Ameri gues well beyond the demands of It's amazing how naïve some When market. ž

people continue to be who want to come here," sald William J. Best, managing director in Japan for A. I. Keniney international inc.,

a dairy concern. Häsgen-owns 50 percent, Suntory 60 Daze owns 56 percent, Suntery 60 percent and Tehanacht, which had to produce the 60 cream bereas and decided they were not aking advantage of the fill force of the Japanese market, recalled if Chris Killingaad, managing ditretof for East Asian operations.

its sakes here more than dou-bled from 1868 to 1881, to \$113 million, and 88r. Killingstad sakd they are expected to double again

striking a deal with the powerful compenies that control distribu-tion of retail products in Japan. Only in that way can a foreign product action to a seatus of an indice, becoming a part of the complex system flust can strangle. phasized, is not just producing a product the

cause of a virtual ben on imports until last year, owns 18 percent. Borden, on the other hand, set up with Melty House, own which has lie own Kee creens lines. Hasgen-tours's big push cares in the last couple of years its executives re-examined the basis.

expand the number of supras handing. the premishin see cream; products like the cream bare have been introduced; the company? ifft, and television advertising has A great effort has been made to

been started here. the end of 1884.

The trick, Mr. Kilkngstad em

More and more, though, American Although It can take years to build a significant market presence, most agree that the payday can make it, worthwhite—reentually.

companies are not waiting for the playing ited to be completely leveled. They are eager to each in on one of the most vibran consumer markeds in the world in one agin of the transfer monbership of the American Chamber of Commerce its Ispan has risee to 2,64 you'd you'd syftwan 1,845 in 1865. William J. Best, managing director here for A. T. Kearrey international inc., a consulting company. "Once you get to that point, if a shroot observe what some people make," What the trend underscore is that "Generally profit margina are quite good if you can make it infraugh the first seven years or to and work your way into a colid position," said William 3. Best, manasana dimental

the Japanese market is open or closed is far more complex than it has often been made out to be, and should not by itself discourage companies. leads debased question of whother

Lepsided Investment Flore

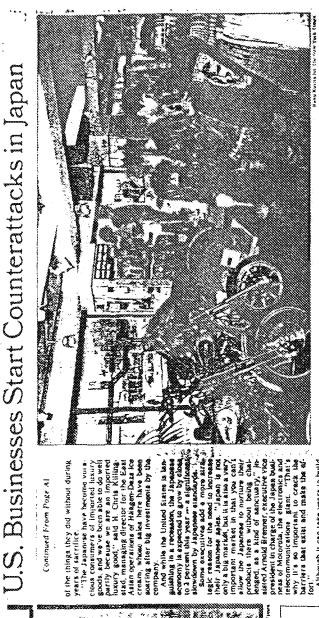
markei, in fact, American agricul-tural exports to Japan total more than all agricultural exports to the here still face some barriers trying to build their operations. Just consider the startling fact that Japanese comother business operations between 1885 and 1896 of \$228.4 billion, of which \$118 billion went to the United \$54848. according to the Bar of Japan. Meanwhile, foreign companies panies made direct investments abroad in factories, resi estate and pan. Meanwhile, foreign companies made just \$5.3 billion of direct investments in Japan during the same peri-od, only a portion of which were from American companies, according to Unquestionably, foreign businesses

Many American executives say the interiocking shareholdings that make takeovers all but imposable and the extraordinarity high price of land in-hibit investments in Japan. the bank

of American

European countries combined

brands here does not indicate as much progress as some argue, however for instance, some point to the The proliferation brands here does as of the companies that are



Harley-Davidson is challenging the Japanese manufacturers that almost put it out of business by pushing for sales in Japanese shoppers tooked at Harleys — and Harley apparet — at a destership in Tokyo.

stores are popping up in Japan, but this company is also awred by Japa-nese. And the lucrative McDonald's franchise here is 50 percent owned by

In addition, some Americas experients in significant in the ports are insist intent in the folge serving are easing American handwiggers, while Americans are buying Japanese autos and electronic gadgets, products that are regarded as closer to the cutting edge of technological advancement. But at least in the meopening up, and they are being selzed by a variety of American Dusinesses. Many companies that have been here for decades tally allowing Japanese trading companies to sell line. Red amounts of their goods are revisited amounts of their goods are revisiting joint wentures and strengthershing joint wortures and strengthershing line wentures and strengthershing line wombards. A variety of products are making headway, inc. Sales he Japan of American-made apparen have risen to \$400 million last year from \$63 million in 1987. American-cockvolled componies holds 18 percent share of

and Morgan Stanley were the second-and the third most profitable securi-ties bouses in Japan in the first half of retail gasoline market and nearly rceni of Japan's gasoline refin-

Actionald's is the country's larges

last-food operator. Salomon Broths

was almost ruined Harley-Davidson by motorcycles from Japan.

products to Japan than to any other

American farmers export

Progress Hand to Measure the current fiscal year.

recently anded joint ventures and have taken control of their businesses

market, said Robert L. Smith, who heads Kodak's photo products business in Japan.

efforts here have made the MaggerData ta bale not out of the 10 moat-respect.
ed consumer brands in Japan, according to a trade Journal survey.
"It takes an enormous committie.
ment from the chief executive and the
whole bear of directors because your
have to be ready to lose money for its Japan operations with new capital and has spent heavily on new prod-ucts and on upgrading its shops its - Hasgen-Dazs ics cream infused

Motorola. "That's obvioualy a very scary tactic for a lot of companies. But the question is how do you get U.S. companies to do that?" Mr. Morgan of Applied Materials

markets - not because they are wrong, but because they often use the said he had been angered sometimes can executives about Japan's closed criticisms as an excuse not to tackle listening to the compisints of Ameri the market head on.

Really a Question of Will.

"It is really a question of will," he said. "You have to keep a strong focus on market acress. The pressure has to be constant. But you have to

HIGH ž

Haagen-Dara has been here since setting up a joint venture in 1864 with Suntory, the spirits concern, and Takanashi Milk Prud.

just focus on the consumer," Mr. Kilingstad said. "You have to deal with the trade or you'll never get to the consumer. To a great extent the trade is all! King.

all were it not be the afforts of Americal and American.

all were it not for the afforts of Americal and American.

all were it not for the afforts of American and American.

American crede segociates an assaching, 18 for the American parameters and american american and american america

photo products in Japan nearly a century ago, but recently took control of all its joint ventures here to increase tables and make it tougher for its srchitvel, Fuji Photo Film. Kodak

Electronics Profits Expected to Fall in Japan

Continued From First Business Page

on Thursday sharply revised sr that ends in March. The compato purmine 67 percent compared with a previous forecest of a 26 per-A number of factors are contribut-

A compact of status are to tost most and the percentage of the age of the age

Japanese economy will weaken more before it never the control of the seconomy will weaken more before it never the seconomy will see the seconomy of the secon

Weakspeeds in Thros Areas

For the sectionics companies in particular, there have been week, messes in three areas — computers, escriptorable and consumer elecronica. Ususily, exertitives say, strongth in one of these businesses had offset weekness in snother. This time, "all are bad," said Manabu

TOSHIDA SAYS ILS. There dentrated the memory chip and the companies, which can be companied to the companies of the companies

Beer Shipments Off 2.3% in 1991

CS First Boston Has a Gai Of \$215 Million for the Year

We take a seconding to an insharity sewalector publisher.

"Total abitiments for the inthe abitiments for the inthe abitiments for the inthe i

The control has a smooth in factories in the control of the contro

The next best way to see all that's going on: Call 1-800-631-2500 for home delivery of The New York Cimes

5

Sh my.

The firm said total long-term takes for rose to \$1.9 billion in up 15.8 percent from \$1.6 billion year earlier, white equity rapilition, and grow to \$858 million, ... percent from \$706 million in I

Hennessy said the firm's gin or pretax elernings had box tween 35 porcent and 40 perform ing it among the best or despite He size asserted that despite trading profite, the firm would tan its focus in underwriting to mergers and acquisitions.

"We rever wanted to be trading firm," Mr. Hennesey "I's show to have, but we're in in those to oververings and Capital bases.

to under- or overemphasize trading gets to bkg. It gets in the stroat providing advice to clear

Thank be Obebal Underwriting

In 1991, Pirst Boston rathed in global underwriting of all lead United States issuers, heaving the for second in 1996 and 1910 uhrd to fourth is United States and equity heaves, according to files Data.

"In the favorable but votatile ket environmenta of 1991, this fi hy was a hey resesse for cer sec he said.

bankers to be responsive to a markets and to be flexible to

have the commitment you re make it in Japan."
Mr. Brenner of Modorola was

perveral who said a crista might aliye be useful for modivating Ac can companies to become more milited and abow staying pow-Jagen. "Americans tend to worl ter with their backs to the wall said." There are a whole for of A country is not healthy. One ways I hink we're going it healthy is to be able to compet the Japanese on their own furf.

By SETH PAISON JE.

CS First Boston inc. said yesterday that it earned \$115 milken bast year, largely on the strength of Wall Street's big year in trading and un-

in merger and acquired on the items, redifficiently one of the items, redifficiently one of the items, redifficiently downstructured design transactions from 8 pp. 1980 to 12 percent in 1981. Improved its ranking in one of the items of the

Other points of view seven days a meek. The Mew York Times on the Op-Ed page

Mark: Jesus Mark: Garist

March 17, 1997

Section Sunday

88

exa inessel adversity opportunities ... 10 grow stronge BRY CORLACTOR INSARATION WAS BOUNDED ON PARTY ~

The chelicings confinenting Bermard Nichoese is taking the transposers of his skills as prevaidness of the Good Co., a Wess Best-desired makes of fares, inchessival and consecrations

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strongsbon their bresinens, and that's in BC what we are desing." perpeny good discribution stranged, it's an opportunity to further

tivesed business downsturn in sensity Mississes, is not alone. Across Westcheses Inscen to Commodiciated Propers Inc. In codes linearizateris Corp. moner Medipress Astions in Milwankon to Mi-C year.

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performance in the 1980s.

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"And Piq, 3 are those that distributes it out at all." TWO I see those that go cas

Whencessin because is the cuphoria procrated by the quickland decisive allied victory is the Persian Culf Managlag is biased times is er armei juriacitui er se backeau var subsidos, a sobeiring forcossist is coming to light:

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Wissignatia a seconsciptly in illustry not Wisconsain Rapids --- exceptiivas / remaisia is a abondann schossi until are beang tended by the first widor "thefree mid-year," and conditional conid get worse before they get

geored to the rest of the country, by To be sure, these see recesses for optimism in the Badger State.
"The Wisconsin sposoonsy, ocesloing very well," observed Roger enectative officer of Firstan Corp.,

Emed Danks Jr., president

Phouse are Associately page &



wheel's spokes on in the manif

-1881 see ca sectioned to the cheeps, it is not self jegochen, end the eucomobile compaminde, dere thehodolog, much proces neepomeding...They are acquesting, thele prophediother

eny. That's why you're's attending to see these coolcounciding with legigidis amoth don't see anything beneath Wheconein has historically BAT. Wife strang to a specific at COC CAT CONTAB PROPER, I DUK THOSE choeandusm that a locages peal-Aggest the nedones soon of mileon on the neplemes by



minimize the project on our

See Person Contract Court Section

Busch keeps brewing up Success

DALE BAISS

office



JOHNNAL BUSINESS EDITOR

have soccurrend unprecedented problema lately, Anthouses-Busch Proof, Exzon and even 1924 stands out as one of the last gress " T. LONOIS, Ma. -- In a

MACO WAS TRAINED COME

till more pieces of the bussiness. Is sood chance of meeting its off-stas American corporate juggernauta. Year after year, beer after been even though it already owns abou dustry, Busch continues to go after 43% of the American brewing in fact, experts give the company a goal of seizing one-half of the beer market by mid-decade.

and administrative operations on cupy about 70 blocks and where Busch has more than 90% of been where the company's production sakes, that's the kind of talk they Here in Busch's homotown

like to bear.

marketing muscle and savvy pre-vided by parent Philip Morris Cos. Milwaukce, we are appropriately impressed these days with the succases of Millar Brewing Co. Thanks the US beer market, with a marke trenched as a long-term No. 2 in In America's other Beer City, to product innovations and the Miller has become solidly es-

had to follow Miller's lead in one And, indeed, even Busch has big area: product differentiation.

share of 22%.

Accessories rev up big sales for Harley's merchandise chief

By GREETA BOLAFOLA-BOUEEN of the downed elast

abbe-breasted jacket and wide wool pasts, Clycle Resider is being ribbed. No is packing, dressed fashionably in a

and create polices. And the in from of his new Harley. soco are booking in laugh-The powerful machine is all Don Johnson peaches Serviciacos Co. 's basement mechanics in Harley-

Harlov-ware

Passbar, vice president peneral morthandisc for the motorcycle makes growle, "Yeals, I love it. Ordered it special,"

says are just giving me sepheerises. Corne on, let's n upetains where it's safe." alisable a circular iron seads-These, with a laugh that scaunds like a Harley partparting in the distance, he says, "They're kidding the backwas poseth is not macho polor, Oh, these the downer the last of als morning coffee and

of a red brick building at ...
37th St. and Juneau Ave. seast of the '50s, the days people years for, He calls it the "vetro took," the new he says, sere the cool colors, thing in Harhry cycles and morer boats. They're the

erve offices kining one end

Sackey-Davidson execu-

wate that beach to the

Checkhideag. SARPA'S tremes un Accoertica,

has seaye. "We clician't beaver

per weltop bervese new terocooki acod custom seut-Appendent book back and serille upon those bays. And these see the baby boomen who seitus energy --- creative, boad and in non Pessian is 49 send mostly booming, bots Dievid and a stylish Groudho Marx, he's a Appy movelene. A middle-aged groupse who cooks like a crease between Michelangedo's segniber these colors, possch and cream. ing Brais, Restin and Ros. The body eag a han time, with sonige

MororCookes and Collectibles books thesesse. which the compass sells everything thes) in the docum't go den a tuike. It is one of Hadey's gasse est-growing issues.

— found at Harley dealess nationaries — by Got Library dealess a blue washing a solution of the present local place as blue weating a solution of the present local place weating a solution post world.

3.54, 9.5 leather post world.

9.24, 9.25 leather post world.

9.24, 9.25 leather post world.

9.25 leather post world. etyphero-deservance The latest spring 1991 access Harley-Davideon's "parts and: accessories" seles have grown: repidly in recent years.

Institute, the 35-pend lines compact with a Hactery to

Doze't beeigh as Product ferver. Starce he scook server the exembered useds Scheleug and rithers

but it setts 3 million germents. The continuery opened its party rotati centes in a Kanasa City During the comparty's less years to take a bossom the coexistroses. Todes, the coexists of a selfmail has August and is thinking of appre

meantheactive from we've based passizing is a good way to got peopse comfortable with 't' the Harky plane,' Fessler boomp as he reflex. "We think that dothing and the general N Mosco-Cootnes is bespring booked Harbery alth

Pleasur ser Markey Jayer &

udy, Seary, clothes said the road reshing be-eagth his sear-spanged Harley. During the negst, he is Harley's keeper of tradement and topmeng said chief of catalog seles ... the



As these presentant of general merchandhae for Harley-Devideon, Chycle Feesier handhes carlaking seles, one of the feesier handhes for the motorcycle manufacturer.

the breakitown of the American of overall beer consumption 1990s called for a prodifered new products to kneep beer de intercebed. Thus came Osesu

Assessive the Arrange

But if Busech to good at an it is adjusting, or some would copying. And after a while, it bearned from what Milker ha complished that its products — oven the mainstay King of Beers, Budweiser — would? to mulate. So now there's Bu

"The major structural cha in brewing lately really has b new-product game," says Jul mann, a brewing analyst will theigh Securities here. "Buse the last of the Big 3 (becover including Coors) to come to game --- in part because the Light and Bud Dry.

"But the thing that is sewe Dave to

a "Band farmily of brands," as Toen Sharbengh, Busch's vicident of Buchers brands. here's now what Busch

"Houth ends of the produc trees are represented, with B Dry for the '90s and then ou thought branchs --- Bud and Bo Light -- porting moore attent

Concedes Sharbaugh: "The beands do clume things. But 8

popularinger in capabble of coge

Pienser see Booms pager 7

NSIDE

Toughing it ou in tough times Making Money

If you have host you'r job sething is or sen just to westher the recesston, economic oceanis-table have some edivice for you.

Manual Charles

Xerox takes

Realizing that mew amon to the stage

weelikely to be outfore copies bose three days, Xerost Cor birred a threater troups g to help memagens confrom their prejudices.

Economy/Firms follow long-term plans

pany. The state unemployment rate for Jamuary was 4.6%, compared weth a national rate of 6.7%. the Milwaudere bank holding com-

Massy Wuscopsin companies have been thriving and expect to econtenue to do so, virtually us watched by any downturn.

orders in 1990 and expects to break depart and 1991, said spokes GE Medical Systems, Waster preparated record hugh sales and massage Physics Piena.

toop, scts to increase employ-many, with by troos than a third this year. "We haves the fat any squeeze wheatcorer" said historia Flanigan, president and general * "vaukea Telephona Co.,
te estimat selephona ayr

uncertainties had blacked the view of an economic upture and locked America's focus on the downsture that began less aumore. With the memoger. Furthermore, the end of the Cruff War has responsed uncertain-ties about oil prices, international Londe and travel, and the cost to the US Treasury. Like a walf, those well gone, menagers can make de-

small engine manufactures, re-thas they have been hard bli sow sakes and see no sign of saccasin. Companies like the Co., a plumbing fatheres assects with more costilocate. genera the downstarm will inger small engine manufacturer, K.och.leer

improvement yet. Businesses like the J.H. Findonff & Sous construction company in Madison say they believe the worst is yet to come for

is response, compasses around the state are candiding haring and gravel, postponing salary increases and booking barder than ever at discretionary appareding.
The state's chief labor sourker

analyst, August Chearch, said he expected Wisconstal 1991 unsure pelyguenes rase to fee in the conting frontia. It could average as high se 5% for the year, up from 4,4% had year, he said.

Lones LIST OF COLOLL STRINGS &

ce Secting the states's execusitives for likesty to be along the best of challengbecauseding in the Aconomics months to some.

downingst frosty. The company flatitude the year with record high regular, sales up 19%, not income up 45%, and Nichosen foresaw trouble and warrand in his end-of-the year statement that 1991 would be Certi, based is West Bend, be-gas feeling the effects of a down-turn last aummer, when the climate considerably below" the 1990 perį the company's markets nursed "There are still too intany toowns," askd Massess of Ochl.

Niciaca basi scorped a passive response, temenary While he pushwante serves and a three serves Commance.

soon strategy, he is positioning the company in the short term to sell

company

"When the expectny does come back, we want to be about of our competition," said Rockton Flows ers, president of Nebun Inspendion, Secugition manufactums of induential politition and sound controi equipment.

hastrument, a Findthous trakes of secretarity construited measuring devices for industrial, medical and

neans yet. Powers has had to fi-nature new product developments from earnings and foreign sakes, Fortunately, foreign sales are bosoning because the relatively low value of the dollar var many foreign currencies is cutting the prious of business and no sign of improve American products abroad.

tic downturn and the cheap dollar as an opportunity to focus on exparading foreign business, already nearly 60% of sales. The company tions to advance that effort, Powers said, and it is making invoseds in Eastern Europe and the Mediterrajust reorganized its Japanese open-

Reaching abroad to new mar-

more of the kinds of equipment. Executive Ken Krusta seld he has that recent in decreaded defines band. "Merbed his firms abanc of the definest times. —— road repair machinety. It is not been earling.

we see convented of a strendswa to biffing a ke and Maddison and speakbern Visconsait in general.

He plane to choos he said by reaching further out from the com-Mars was just starting.

Three months ago we didn't see any recession, he said. "Now

peny's southern Wisconese bees to look for work claewhere.

Bonne exocutives have abready begun to manage for ess upstores. As Design to manage for ess upstores, estign in Milweuken each Maddeon, estign in Milweuken each Maddeon, ries leen in recons expenting the inventor ries leen in recons expenting, he had estling car modads in anicksipetion of a rebound this spring and summeen. At the Frange Co. in Green Bay. started to stock moons of the bester

buying big in ecosonal menchandian lizes for the beak-to-echool and holiday scascns. Retail-industry forcests show that sales will stert President Richard Unger said the chain of 14 department mores was returning in late summer, he said.

mism is tempered by a highly com-petitive marketplace: Last week. Uager dismissed 182 people from his work force of 4,600 in a strate-But even at Prange, the optigio racve to cut payrod.

Picton't them enythody is forecessing major problems."

Rogar Phasimonds chasimiser, Firetae Corp.

SATINGBOOD HAT WE BEAMOUTS

some businesses probe for sem once. At the Abbery resort in Laken Geneva, managor Steve Kostechka gaid the downtum had curtailed his As longstanding markets dry up. business in corporate conferences.

aske in 100% filters, out a third-shift operation. Whe're not going to do their, it just heavn't been proven yet we need that capacity, and we

world then to got need aggree-

economy to keep more people clos-er to home for their vecetions this year. That offers opportunity for the Abbey, which has the Chicago But, he said, he expects the tight

the economic conditions by pro-moting low room patesum advertedustry was trying to capatalize on He said much of the resort inand Milwaukee markets bearty.

In almost all companies desting

At Consolidated Papers in Wis-consin Rapids, President Patrick Brennan noted that while samings goel is to knep advancing the longwere off, his company was in the michi of its largest expanition ever. terre strategy.

ing machine installed last year and a \$435 million machine due next times without regard to the ups and That's not by design, he cautioned. A \$135 million paper-makyear were ordered on long

downs of the exmomy.

He is glad the more expensive machine is not arriving this year

skn is thet we don't fump to

KASTER

notokara ara dvong much anamada to-mouth, not makeing big pusses for knowleny, buying just spessely president, Western Pallicul

to five months ago. The Neothe Egg. being sertled takes out a whole ago "I'm more cootimisatic than I was \$33

Our mackes building buildings is exist counte tousny, in that Rumbhore tous

tosased on a least of what may happen in the second heat, then you've got the seaf-Authleng prophecy syndrome. You wouldn't be able to turn it beck

presentary or ensything the three now,

we seriously out employes

Newsy Mothede

can it you was mad to."

presenteurs, Lacken Co.

wcoments, we're staying light-fated." Rischered Unages president, Frence Co. "We are building our inventories for a strong back-to-achool season, Kidai, clothes are strong, in men's clothng we're electrical can there. But in

mistic as some of the soonomic CONT CHANK I was awar as passalpredictions were, and i guess now 'm test moderately optimistic. think one of our strengths in Wiscon-

SECURITY SEC positive step to reduce your these are concerns for everyone today. Take a



Part-term or full-terms, you can

down. Don't heartale! Take a

start with as tittle as \$1700 stap now toward securing our take in a business of

your own. Call for details.

ignizing, equipment, ongoing

AUCDOIL BIND BUSINESS.

business in orre of the fastesst growing service industries in Office Cleaning, We provide

CONCERNS. START YOUR OWN

the country ... Commercial

MIST & MINIST SEG-400 KNIN A LINE 3500-400 KNIN POR NOW OF A PARTY OF THE PARTY OF

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CHERAL WORTH AMERICA

The reason for the high personly on new product development is singular. Companies ready with the advanced produces hope they? I be pocked to pick up markes share. the pass to develop new products, and Kess Conger, who president for human recourses. "We stringly have not exaled back on these efform his ben contrasts walk the approved the charing the last recognision, to the early 1960s. With Nicoles's slow domestic uct development is a top priority at many businesses. That authruse of-Kaeping the fires in under pend-As the Kathles Co., "we've con-tinued to do what we've done in are might have a decade ago." for example.

Cospile a sisces decides in the company's business for the auto industry and fast sales owerst. Flowers has exided 14,000 aquare spect of labboratory space to the cooppany's technical center and has nired about 10 technical workers in the pass aix months, all so work on new product development.

The focus is sumilar at Nicologi

"We're working like the dickens with new products because we are besting on the Asture," asid President Cobal Preservant ACAUSERNIC USE.

LOCKERSOR ALBAROLAS

Mochet also is using the domes-

kees is also a tactic at Johnson Controls in Glendele, President

PITA BABADAND BANDATANDE

BY PATTE KA WINE WE Wash. Bush ad The The United namond to Amy produc buyen now, th (De ex UCLE BE 2

they need. "We have been adding staff, but only enough to take care of the DURFNORS BYSK WE have been writing. not anticipating eutostantial growth.

844 Bakwanda, president,
Association Like Insurance Co.

*I clon's asse us faithing off the engineers () a cliff ... (but) I'm séappabas () () any near-term reaurigentos this this the free costs and scacker.

8. Prederich Keeper b. prederich Keeper b. "We continue to be optimistic that

chairman, Poiarta Group sig

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of uncertainty. Those who were sook ing can make chocalons again. ?!! the country was headed into a slow down before the Michae East setua tion came on, and the and of the war te not going to change that."

president, Johnson Controls inc.

Замена Вамамитон president, HM Graphics

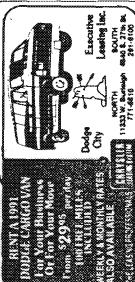
can 18 it rustable overtime.

ness we are down from less year. 12% to 15% so the Web trysk that it's going to pick up on occin, but we have, it improved a great deal year. Meanwal is retexuen, cheairnen Wasternall Entitrien & Associator

president, Prenge



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kets is also a tactic at Johnson confrols in Olendade: President Janes Kepes sald the econography was vigorosaly pursating beastroad furthe Middla East, where Americase backering set the Perelans 2004? We had per Americase to demonstate for refoulding Kurvests and the president ects observhere.

As Midwest Express, a stump in est mavel has prompted essecutives to take off after more customen, rector. The airline is offering more discounted fares and doing more advertising then seemed for the seeseid Breads Skelver, merbesing di othe seed.

better please their vassomers so they can get more basiness when a Other beincesses are saing the downstern to find our how they can recovery takes bold.

At J.H. Plantout & Some Chief At Oreda Foundries, Milwane, Chairman Burfelgh Jacobs. said executives were working with CAMPLEONINGS SO CART CAMPE BESS NEW PER PROPERTY.

He is glad the more expensive machine is not serviving this year, he said, because it weisted sort be needed. But, behasid, "You have to make the capital expendissons makes you think the time is right

and see worry about the short series.

**Ladiah Ca basigned a \$14 miltha capital superversees program
thas year.— Iwas the corresaly a
accrass everage. The Cuclaby man
sincipal everage. The Cuclaby man company's be-engine components. Indeed, a second-half slow-down depoption thems when a princip, advisions interpretation that the could simply allow Ladish to each sease the plan awas more quickly, by

.creeting downtiene ther can be used for equipment repair, said CBO ... Hearry McHale. "We've altocated the funds." Michigade sould, "send over insternal to appeared to the meating where the approxima"

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thers cuanter, that we clost's engage, see a myon-verser's beliable, their, possess inchedes has given our connects encother whenterry.

"We are knowing for an uppearn in

Prateriote Barado Witecomen Ping

president, Consolidated Papers

"The buying climate in general can beet be described as caudicus, Our



Karas Thesephone WOON MOON DEADLE. Accressory — and process and buy

Afternity Shanoo. 8 Proposi Counselo glass is half full." New York economist

with 29% describing it as mild and

Auto sales dropped during first 10 days of Masch, for cu-

has been a topic of bases interest to those who are tracking the recession.) The intabaptive of coefficience

pormed epocalized that kniftscroots tree, page despite many assertions ab pormed epocalized descisions by con-people-terrorening seaso sense are sense and benations executives—records that the thier few records ——records that the three few records ——records the three sense and the man few records ——decided that the three few records ——decided that the three few records ——decided that the critish presided ——three few resolutions that the critish presided ——three few recorded few sectors is seen the control few sectors in seed the control few sectors is seen to be see

Similarly, reports of a pickase borne brane brane brane brane branes have yet as find the way into reliable, watches 888 tics. One tentative sign that o sales crept upward in Pebruary, first incresse in four mossibs. must chown to good.

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Lower inscrea rates, for east ple, have necessify brought Age: payments into the not affiled boone loans.

The findings are l'expansions:

course people appreared to be some-

what more librily to refrain from

purchases because of the war.

ism on the economy

Atmobia one in two respondents set the employment situation to phenome becomes of the war, a barro-sometier general seed that such S. M. P. Pobruery. economic gains will. Many Americans W Sollow US vicigal Bright .

sparty solved from L. Kaliner, After US bounds began backette Los Angeles Tenes services " ...

over leng is January one facility phonon-in New York, "Now more American put," of pages 20. No. 19. No

Were activitiest constrained by Season recounts to a recompanion, yet in his source of the state of the season recovery indepen the oil Managor and their states of the season season buy between the season for the recovery and their count finances as analyses peoples that the season of recessors they have divided whether of court cut by the season of season shown controls. Some least of serve expension of recast a season to the past they are five Kornel beats of serve expensions, more than the Persons they have required to conseque, the more than the Persons Chaff beats of consequents and the Persons Chaff beats of consequents and the Persons Chaff beats of consequents with a US whether, the degree such as the latest and part in many Americans expect connecting pasts the lates and part in many Americans expect connecting phase statistics, are therefore. now Les Angelog Things foul.
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"We have at a corn if yet,"

"We have a newn if yet,"

biblic expectations afteredly may be as the mand: Seven, put of 19 responded that the US beamobily

would improve as a result of the gradiable in their own area and almost as the come area and America's victory. People's esteen "minosi gall think we're in a recognistion for the job market, while ston." [sabeet, 9 and of 10 resecondents] the war's eaconseful outcome," subtl 19 Times Poll Disector John Breadan, 17 "Bat most still think few jobs are

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delayed

gesta, Altogether, one Americans said that they

plans to make a major purchase during the three months before the sairvey was taken in March. Of that group, 43% blamed the national finemone and 38% -- or and in 10 of those surveyed overall -- specifi-

· Department of Commerce rep ed earlier this wook

economy, 41% cited their personal

ears predictionary and few, a mass of forces may be secting the 25 months, eccording to enelyse

or purchases although respondents? The poll position to borness, carre

and appliances as examples of ma-

scally pointed to war ittem.

were not limited to those examples. Weemen and lower and middle-in-



and Cork That Beaujolais! Mount Those Harley Hogs On

kidde ges de schedel. "

The Gachelle Tay & Modelle and englested and see a very considerate grant ges de schedel."

The Gachelle Tay & Modelle and see a very fine a very likewish to see the see a very likewish to see the see a very likewish to see the see. "

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Observed Brias Rose, who heads a

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Vonde LePage, putble, relations:

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And Arrand Giterarisi, precious

stone dealer: "You don't have a kor

et crany, crany people in this club."

That is at least george in this club."

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JESUS JECTY DIVINESOR Mark: CHRIST

OLD LINE, NEW DAY

riev speeds 1

HARLEY-DAYDOON employs Mike Pustz works on the assembly line at the firm's plant at 11700 W. Capitol Dr., Wauwstosa

ut 69,000 units in 1989.

have dropped

dominance of the US market

market for bighas afflicted the

This is another in a series of stories; about Milwaukee's old-line

Bigger share of a smaller market

a bad pledge Read their DALE BUSS lips: It's



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amatic

core to its

wany thing about turnarounds, when everybody thinks you're

hose that were included in the re-ent budget compromise. T SHOULD have been a hap

conference in Washington that

morning.
But by lunchtime, his new you

what are we going to read this time. George?— already was playing like a funeral dirge with some local business executives.
Told of Bush's words, one Milwatkee executive paled noticeably, as if I had told him the president had been assassinated by a cruzed gunman instead of simply pepered with questions by reporters. "I really with he wouldn't have done that," he said, shaking his head between sips of toed tea. "It

doesn't make sense right now."
Chimed in a counterpart, Emerson Dickey, head of the local consulting office of Arthur Andersen & Co.: "He's got to get some better advisors around him. If he's got to fire Sununu, maybe that's what he should do."

in sure the two -- the further



CEO RICHARD Teerlink focuses on the

fighting to rekindle consumer inter-Honda of America Manufacture Hurley is not the only player

ing Inc., although losing some big-bike market share to Harley, u he campany calls the market leading its American-made Gold 1,500cc touring bikes, which

consumer," said Roger Lambert, a Honda spokesman. "The challenge that all motorcycle manufacturers "I think we're all competing for the leasure dollar of the American ace is to get people back on motor-

In addition to the general de-cline in the US motorcycle indua-try, an epidemic of sharply declin-ing sales over the last 18 months

son work force. of the 1,800-per and had off 10% Rambler closed

Holida

The division is expected to lose money in the second half of 1990 tigher pasoline prices. Juli crisis and the prospect for especially in light of the Port analysts are predicting that will lose money next ye

ocasion, that stagnant low-present system clouding the horizon of nearly every US manufacturing But waiting backstage are Har-And then, of course, there's re-

enough Harleys.

In the US, cager customers may have to wait months for a new bike, depending on the model and It seems the world can't get

cy's equally impressive cast of

day Rambler Corp. subsidiary in Wakhrusa,

Internationally, Harley is doing area, bester, Exports have risen form (A721 trootercycles in 1983 to 15.288 her year.

And basilios the overall US mar-

senational market is growing. Eu-ropeans, Australians and even the Japaness are clamoring for more Harteys. but for hosvyweight bikes, the in addition, the company's ac-

cesories have become so chic that Harley clothing stores are opening in malis and Harley's 600 US dealers are renovating their stores look as much like boutiques motorcycle shops.

BACK Prost that Break

All this follows a period in the early 1980s when the company was testering on the brink of bankrupt-

flattaned by packs of imported mo-torcycles. Harley received tempo-rary tariff protection from the goverament, made major improve meats in its quality and reliability erament, made major In 1983, rolled over and mearly

Please see Hearing page 4

The state of the s

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1 Westly Devideon's share of the martial la Increasing. 1 with 850ca and nes or lan in the United States . . . į 8

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be politically clumsy enough to phrase his opposition to new new taxes so definitively, and so soon after he made a mockery of himself

Please see Buss page 4

hompson must tackle forbidding new agenda

cheerleading in second term to do more coaching than Pro-business governor may have

classics are hit

Firm hopes Sunday Digest

A Milwaukon-based architectur-al and interior design firm hopes it will draw extention by using clas-

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By CHUCK MARTIN

Madissa, Wa. — Fresh from a landside re-election victory, Gov. Tommy G. Thompson is preparing for a second term backed by overwhelming support in the start's oxyge-

of the defense

Maiding Money Cash is king

rate community.

But beneath Thompson's popularity is a growing realization that his unabashed probabilities approach to government will be 30 tested in coming months with challengement be did not face during his first term, (a) the state of the state of admirent remain boadcast; that he has the stills to benefit changed that he has the stills to be stills to be a still to be a

ing it comes to financial ing in these troubled economia, the best offense may be a

holding cash in-

D S

conditions and now issues.

"If there's one thing Tomany Thompson has done, it's to encourage cooperation between business and the sent, said Ron Waret, president of Ashley Furniture Co. "Arcadia. "That's going to serve us well its

through any problems we may face."

Skeptics, however, argue that a new and requires a kind of leadership that Thompson

acing the music fier the party

scientary-rithesizer and chief totolytic aids, that labor will be looking fir Theregon to take "a longe-term view of the Niscousia economy and the needs of clients within that economy and figure set ways of peaking that

he corporate structure toward higher lev can to training of the work freeze and entitally the adoption of a high-acil, hap-ter strongy for the steam. Then we can be strongy for the steam. Then we can be some real progress.

For all, there are questions.

The business constraintly was award, in the parise for Thornpore after he segmented cars in the state's income and inheritance troos and increased spinoling for business and propriets. But how will be happle a new spinoling to which the chief issues thay be more intrading in which the chief issues thay be more intradtable and range from environmental protec-tion to educational priorsy to inner-city Milthe whole with the in

Thompson who, declined through as Environmental protection energed as a ligarinate to be interviewed for this sory — was a declined anything to be interviewed for this sory — was a declined anything to be interviewed for this sory — was a declined anything the sate adopted a fancinant of Misconnia dering last first flow years — recycling law, and is expected a fancinant formation that beinged to improve the sense? Agin priority.

In the province of the beinged by issues implies, they are not be environment but west Thompson has theired with a socount the costs of regulations.

Moreover, Thompson has theired with a socount the costs of regulations.

Moreover, Thompson has theired with a socount the costs of regulations.

Moreover, with an economy in a downtarm that nor to just a lid on environmental regions and the province of the costs of the lab weeks of Wheneville T would like to see the presence challenge when the costs of t

sin and nationwide. It's one thing, in a post-election press conference to try to connect rhetorically with a Republican activist who would the clear reachinest expressed by have a lot of company in Wisconhe American electorate toward

While the market for large motorcycles (those

higher taxes.
But it's quite another thing to send out more aignals of uncertainty to economic decision-makers and head further down the road to possible political suicide, which is what my functuline companions feared the president might be do-

Why make such a plodge when many experts already have talked about the probable need to come back at the calamitous federal budget picture, and perhaps raise taxes again, as noon as next full?

And why would the president

by violating his defiant 1988 cam-

els serong Wisconsia business leaders throughthe out his first term. He often was credited for
and turning Wisconsia from a state with an antibusiness reputation into a state with sa antiphtragarded as a business location that it has
reported up as everal national surveys of good
state manifecturing stimates.

But with the accomplishments of the past
ass. Shar years behind. Thompson and Wisconsia must now turn attention to the question:
What next?

osaful for four years, we see prioritios shift-ing," said Timothy Lawless, governmental or affairs director for the Metropolitan Milwas-There is no shortage of suggestions, nor is the outbook free of controversy. "Because the governor has been so

Just Ausociation of Commerce.

Thompson has been a good chaerleader, "We kinds of challenges, he sheed it said not be known and the sheed it said not be known, a find the sheed it will be sheed and the sheed and the sheed and the said not be sheed and the said not be sheed and the sheed and the sheet and the she coach."
David Newby, the Wisconsin AFL-CIO

Allegrana will take

in a bad situa

marry put a grocery store



Track Marine

Harley/Company wants to build long-term relationships with customers

and creaturity reared trait in the large of the bill.

In 1995, after a string of forces, in 1995, after a string of forces, in 1995, after a string of \$791 million and record comings of \$33 million, and 1990 is expected to be associate.

Sizos 1944, employment has in-reased steadily from 989 to 1,344 to Milwaukes and from 1,049 to 1,661 at its York, Pa. assembly.

Yet, somewhere along the line the investment community lost interest.

Harley stock, which was trading as \$34 a share four stooths ago, closed Friday at \$14.75. It's as phough investors became convinced that the wave of rising

lerin performer. tespite assilysts' predictions, that he stock should be a good long

short-teeps gains to be made from Harley stock had washed ashore —

The stock dropped so low last Harley's board

Even though Harley stock doesn't seem to be able to excite the investors, Richard Teerlink, Harley's chief executive officer, said he believed there was a tot that public interested in Harley motorcould be done to keep the buying

ment," said Toerlink, an avowed long-term thinker who likes to talk in metaphors and frame business issues in philosophic terms. "We are on a journey that never ends. We have slanded of success at Hankey, We do not have a lotal success, by, We do not have a lotal success. We spend a whole to do our time in a very turbulent comen, seeking the next island and priting washed the feeling of continuous improve-

rized the company to buy back up to one million shares.

cycles, clothing and RVs.
"Our fundamental philosophy is

- A profile of Harley buyers 96% are men
- Average ager is 35
- 59% have education beyond high school
- Median household income is \$40,000
- 56% are married
- 43% have children

overboard."
Tom Arenberg, a partner at Anderson Consulting who has worked

Foreign sales

Harley-Davidson is selling more and more of its motorcycles oversess.

with Harley, said the company had made great strides in improving quality, cost and product lead time. The company's on-guing improvement efforts now are directed at the office, engineering and uct-design areas.

quickly introduce new models and product innovations. Arenberg interest more people in ake on the task of finding ways to id, Harley will be better able to By improving its ability to more

"How do you bring others in?"
Teerlink asked. "One, you send a
mesage out that Plarley is different. We had a lag line on our
advertising and we still use it.
Things are different on a Harley.
Thore has been a lot written about the Harley turnaround in quality and reliability. Now, people who had been riding Harleys years ago ought to go look at a Harley." and left are saying 'Wait a minute, Harley's coming back. Maybe I

MAJBIATTING AN IMAGE

To foster that interest, the com-pany actively supports the Harley Owners Group (HOG), a collection of local Harley riding clubs that now totals 130,000 members.

the company will be in attendance, feerlink said. most of those railies, an officer of The company sponsors about 40

It's all part of a marketing approach based on the principal that a Harley is something more than a rehicle to get you from Point A to

Teerlink said. philosophy that revolves around What we are marketing is a whole are bought for lifestyle and "We don't sell transportation," "Our motorcycles

More importantly, Harley has been forced to operate at limited production rates for its motorcycles, which can cost believen \$4,000 and \$15,000.

Because of limited production, a

PLOS COLUMNS to hold much of its value for years

uve for someone interested, but not certain, if they want to immerse themselves into the Harley lifestyle That can be an attractive incen-What happens to Harley result

an aircraft mechanic.

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paint facility comes on line in June at the York assembly plant remains to be seen. could not produce more than 250 motorcycles a day. Charles Cambell, an analyst with Blust Ellis & values once its new \$20 million Loewi Inc., estimated that produc-During most of 1989, Harley

PORSCHE - AUDI - BMW - SAAB

18200 W. BLUEMOUND RD.

784-3270

MOTOR CAR CO.

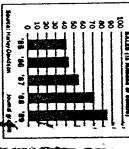
5 UNITS SHIPPED



10' 88' 78' 88' 88' 14' E8' 28'

Harley's revenues from the sale of parts and accessories — including saddlebags, helmets, clothing, sowenins and oxiogne have jumped in recent years.

motorcycles

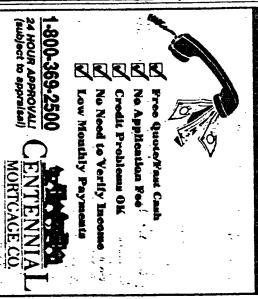


past decades.
Today, the typical rider is of

more educated and better paid than the easy riders of the past, it ferry Renner, owner of House of Harley-Davidson Inc., a South Side Harley dealership, said of HOO chapter had 350 members. of occupations, including a be branch munager, a new car deale They include a growing number women and people from a vari bookkeeper, a chiropractor

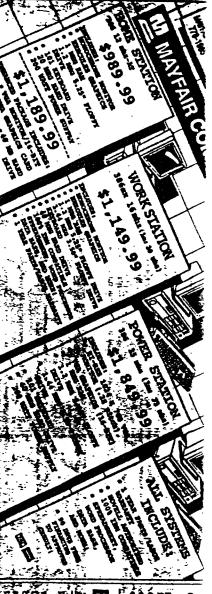
stars from the sports and entertup lebrity riders like Jay Leno, the like Malcolm Forbes and a variety of motorcycles at a higher rate into the 1990s or has it been riding a wave of fad appeal, created by co-But can Harley continue to

lot of guys are coming in because its cool. (But) I think it has hed Teerlink acknowledged that



string a new Porsche downright prudent.

hild years holds 92% of its value." Which makes y a new Porsche before January 1st you'll





the stock market. Maybe invest in some fine art. I hink of all the things you could do with \$06,000° Fire could debate

by driving a Lexia. Or, you could purchase the exhibitenting feeling that can only

In just its first year, Lexus has redefined the term luxury cut, bel

the highest "raite," "norkmanship," and "overall estalaction" ratings and Driver has ever seen.

LEXUS OF BROCK

fact that Harley has been able to Some gearing up for increased ... "We're not marketing a fiduction aerms warnasted by the 'Teerlink said. "We're marketing
I that Harley has been able to lationables with people..." We
and the popularity of motorryand the secretypical bilbecause we don't think its a
ppas, with a bought, the product in We think it's real."

comprise only the of the him

Buss/Bush sends wrong signal

paign piedge not to raise thepat A year ago, business executives were lituds with the happy feeling that we had impresident who was

igh very sympathetic to business and very spopular with the rest of the American people as well. The concerty was all humming with

But now a check of the prevail-

was only muddying the picture danify his fiscal resolve, he res

cal enemy.
That's what was taking my lunchtime companions on the jointification. They sensed that President Bush on Thursday ing winds shows a recession, public war, a federal government: disarray. And a president who have become his own worst proinplied to reassure the nation

Peachtree foreclosure process begins

Athene, Ca. —AP— Foreclosure proceedings were started Frinday against John C. Portman Jr.'s
holdings in downtown Atlanta's
Peachiree Center, including aix office towers, a retail shopping mail
and an athletic benter.

they expected to conclude a nuncing agreement soon that a halt the process.

Priday's action does not any of Portman's other pro-worldwide. ship in Poschuree to Equitable Portman, who has box, tempting to restructure his 3 lion in debt, tentatively agr. October to turn over 75% o

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Mark: CHRIST

andlord Trouble

of Housing Projects low a Big Financier an Afoul of HUD

genc, sys Bruce Rozet Let Into a 'Deplorable' State Low-Income Homes Fall

Rich Market for Tax Credits

s a far cry from Tyler House, a low-e housing project in Washington, where rats and mice scurry through e been known to do busi-But, until recently, Mr. his Associuted Phancial Tokyo stocks rose sharply as vestors took in stride an increase

respects with units in some 40 respective became such a success rest legan asking his advice on the lo build rederally subsidiated

Not any more, These days, senior HUD officials openly condemn the 60-year-old Mr. Rozel. The agency has accused Asso-

Stock fund sales collapsed in Au-

ground into gridlock Wednesthy as a flood of callers tried to book cheap fares before the prices went up.

Mideast investors moved as much as \$8 billion in capital to the West afbanks are the main beneficiaries.

VOIL LXXI NO. 224.77* **

Business and Finance

might not be resolved soon enough O II. PRICES ROSE on renew

BUDGET TALKS revert to square one-

The Bush administration, worrying that mark year's deficit could top 500 billion, still wants a deal cutting it by 50 billion. But wants a deal cutting it by 50 billion. But it wants a deal cutting it by 50 billion. But it wants a deal cutting it by 50 billion whether of that big a package is now feasible. The Mid-ty best crisis, they say, could add 56 billion to be seet crisis, they say, could add 56 billion to be seet crisis, they say, could add 56 billion to be seet crisis.

All bopes tade for a quick resolution. It was the critical of the control of the

State Department worries about tain stone Bate Department worries about tain stone other Egyptians of Inding a face-saving way out for him, such as a deal in which way out for him, such as a deal in which it is not to be a such as a suc

by an Arab League peacekeeping force led by Egypt.

19. afficials fear that the Some U.S. afficials fear that the Some to will begin thicking about cut. Than a deal U they become convinced that the U.S. won't strike at Hussein.

RESENTMENT RISES toward Japan ever trade and the Gulf situation.

Many see Japan backsiding on the recent trade commitments to the U.S. The forest trade

a Decroote

has made little progress in its thormy patent it has made little progress in its thormy patent it dispute; U.S. manufacturers say the bidding be process at Japan's new Kanata sirport is hann't been opened up as promised.

In the Mideast, many see Japan's plans to be made affected countriers as insufficient. "It wouldn't be unreasonable to expect Japan to be unreasonable to expect Japan to pay for 35% to 60% of America's costs in based theids," says Kemper Financial Servite the oil fields," says Kemper Financial Servite.

1991 Harley Sofiail Custom

see, the cumpany appeared on the verge of missing a huge new market.
But it didn't. against bankruptcy. And with balv boomers headed for their own midlife cit

Less than a decade later, Harley-David aon is enticing white-collar workers to be less than a decade later. One in three of the come weekend warriors. One in three of come weekend warriors. One in three of the come weekend warriors are in the collapse of the lege, up from only 48% in 1844. Their me lege, up from only 48% i

It Shods Hell's Angels Image. And Aging Baby Boomers Markets to Professionals AND PRINCES IN PASSIBLE

Biker Night at Bloomingdale's

By RUMBER L. RUNK
SINJ! Repurser of THE WALL BYREET SHUBBAL





riy, it suspended the developer front deling any new business with \$100 feer at least a year. A \$100 beard of appeals completed as administrative hearing on lift. Roself it ruse in June and is expected to decide soon whether to continue Tough Penalty

ting a burn rap. A former think-tank scholar, Mr. Rozet says his choice of occupation is driven as much by compassion as the profit motive." I help people because it is in my nature," he maintains. He says HUD has singled him not because the agency, beset by its own problems, wants a writpping boy. He contends that political and "dirty tricks" are at work: He is a Democrat, he notes, and the administra-For his part, Mr. Rozet insists ig a burn rap. A former ti

HUD's action against him is a stiff searction. The agency has alteged that Associated Pinancial mishanded about \$4,000, a small smount considering that the commany controls one of the largest portion low-income housing in the country, these a very lowerical reaction to be used, argues one former entire that, "I'm suspicious that they're using him as a symbol, that there's a political

tons have come to represent aomething more than just one man running atoul of the government. They reflect the efforts of scandal plaqued HUD to recase tueft—albeit belatedly—as a new, by-the-book agency, And they also reveal how a policy meant to encourage private investors to help hand low-income projects can go seri-

Practices

This, solably, isn't Mr. Roset's first run-in with regulators. He has been involved in two major securities examinate and has had business does to people who hater landed in jail. "Corvously, that local bad for me now," he says, maintaining that he hasn't done anything illegal.

Indiend, he suggretis he has jamply main that govern the bow-income loqueing industrial greet the birricate rules and regulations that govern the bow-income loqueing industrial much to his benefit; In an Assocification, a jest, his net worth leval itseed as a million, excluding his fars stake in

Basically, Mr. Rozet's business works like this: Associated Planedal identifies a duressed spartment building in which HID has backed the mortgage and helps to pay at least some of the residents 'rent. The company offers to take control of the property and fix it up. Typically, the money to do that comes from a combination of new HID bans and private capital Associated Pinancial raises from invertibles. usociated Pinancial

The investors don't expect a cash re-burn; inatead, they receive valuable fed-ers! tax credits through a program that, for years, has encouraged private invest-mes; in low-income busisting. In the pro-cess, Associated Financial receives mil-less in management and other free. "This is what I do, and it's not the kind of thing is what I do, and it's not the kind of thing

One example of Mr. Bioset's projects is Please Turn to Page At, Column I

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in Mewinojit Mining to us low in 25% from 48% through a public offering of shares in the U.S. gold-mining firm.

creased stake in the company despite Simmons continues to press for an shareholder Harold ż

losing a proxy battle this year.

Factory orders rose 1.8% in July, nearly making up for a 1.9% drop in June. Aircraft orders were particularly strong, while autos were weak.

The Canadian and Hong Kong groups who agreed last month to buy Columbia SacL's 13 billion junk-bond portfolio may back out of the deal if the U.S. economy worsens further.

Campeau's Federated unit is chal-lenging \$586.8 million in IRS claims. Separately, National Bank of Canada against loans to Robert Campeau taking a \$70.1 million provision

3

Four big California utilities will be able to profit from savings generated by their conservation efforts under a plan approved by state regulators.

The Labor Department launched a program to reduce arm and wrist injuries and other disorders that are common in repeated motion jobs. Ī

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Boods: Shearson Lehman Brown:
Boods: Shearson Lehman Brown:
Treasury indox 3336.96, off 10.19.
Treasury indox 3336.96 off 10.19.
Commedition: Dow Jones Nutures Indox
Land up 0.17; ppot index 130.75 up 0.69.
123.23 up 0.17; ppot index 130.75 up 0.69. Stocks: Volume 120,890,000 shares. Dow Jones Industrials 2593.22, off 38.11; transpor-tation 901.26, off 8.67; citilities 198.72, off 1.89. Bonds: Shearson Lehmas Brothers Dellar: 144.35 yen, up 0.75; up 0.0045.

g of least two the shouter comming united said up the comming to the shouter training united said up the comming the comming to the shouter training to the shouter training to the comming training to the comming the commin A basg-term study feund that the experimental drug DDI improved signs of immute
influence in most patients with ALDS and
ALDS-related complex without causing severe side effects. The researchers said their
study suggested that DDI's effectory is at
least as good as AZT, the only approved
ALDS drug, (Story on Page 84)

Quebec's premier ordered the army to remove Mohawk barricades at the town of Ote after talks aimed at ecoling a land dispute broke off. A policeman was killed in July when officers stormed the barricade Mohawks built to stop the actionates of a geld-course onto land they regard as secred. course onto land *

A Cambedian peace plan recommends
that Prince Shanoult be chosen by warring
factions as the sominal lackar of the country
until elections can be beid, Restare teported. The plan calls for the U.St. to play a
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Researchers said animal-canors tests in which rodents are fed massive does of chemicals may be useless for calculating the cancer rates in burnants because the does age itself may be rausing the disease. The two groups of scientists said that they questioned the value of specimens supported cancer tests on patts.

The European Spine Agency learnthed an Ariane rocket with a double sateliste payload from a site in French Guiana. About the rocket was a communication satelities for the British military and a matelitie for the British military and a matelities of the British military and a matelian military and m *

A federal appeals court everturesed a 34.2 million damage award to entertained Wayne is Newton in his libel suit against NCC. The suit is one of a growing number of cases in which public figures have argued that an article or heads as a care of a the impression of the impression of



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be so close to the earth," he says. A Boy fit Scort leader 'happired in me a love for remark."—and of lating, he says. The late in 1871, and the late in 1

Please Turn to Page A7, Column I

DEPART TO BUILDINGS APPRAISE OF PAGES TODAY'S CONTENTS

ORTS: Squeeze play is on for the oila down EARD ON THE STREET: Ocean ippers are for brave. Page Ci os Angeles Dodgers, ECHNOLOGY: Hot fusion's future to few belfum atoms, Bl. F Page CL

he saliboat industry? Bt. NTERPRESS CAR the Manta 32 save orid of attorneys, Bi. rgets men aged 18 to 49, DVERTIBING: Nintendo campaign .

Walida' Jim Bolts

HOLIDAY NOTICE

The Wall Street Journal will pot be published Monday because of the Labor Day holiday. A Control of the state of .

enturicité rotacr. Tight budgets are undegrissing the FBt, All. INTERNATIONAL Jupies looks to an unlitedy, jource for oil - itself, Aff. A ... •

stripes in Iraq, All. REVIEW & OUTLOOK: PLO shows its Solidarity isn't se solid anymore. Al. INTERBOATIONAL: Poland's

OPINION: A Labor Day review of

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the case of the ca elimbed for all years in market white Japa

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elembed competitors were change each other
with modurcycles of all state. Harley has
captured about 60% of the market for be
gest bites—up from 23% in 183. "Harley
capitalizes on the impression they have the
'real motorcycle," says Brace Johnson of

bring lasting improvement in the with the planting improvement in the with the plant in the with the plant in the planting including precises Assault, the treatment that the showdown with the iraqui assemble and the inhability to rely on automatic help from the Soviet Union to the past-Cold war world give him iscentive for better relations with the U.S. ton a product without disalpating its my ton a product without disalpating its my tique. That is mit easy. The marketplace is filled with brands, such as Coors, Voltare gen and Zenith, that once carried, but their lock a certain cachet. Some let competit form erode their market; others failed it realize that demographic changes demand new marketers, says Michael Marnden, provession of popular culture at Bowling Green, as a Bowling Green and the product of popular culture at Bowling Green and play off it.

ket-research

J.D. Power & Associates, a California mar

Harley-Davidson's turnaround suggests

RETURN TO SENDER: Rep. Hank Brown, the Republican Senate aominee in Colorado, attempted to donate stoot in SAL political contributions he received to the Resolution Trust Corp. But the money was sent back because federal law doesn't permit gifts earmanked for particular agenticies.

Reliability improved

MEXT: TRUMP TURNPIKET Cashstrapped states and localities increasingly
look to the private sector for services and
facilities. It Rose Perot is backing construction of an attport outside Pert Worth; in Virginia, a privately owned and financed toil
y ginia, a privately owned and financed toil
y road between Dulies international Airport
and Leesburg is scheduled for completion in What Hariey officials managed to dwar broaden their bites' appeal while beeping them looking big mean and American. They improved engine reliability as amouthed the fit and finish—though even as Harley overtook Honda in the big bit.

makes a better motorcycle. market, consumer surveys continued suggest that American Honda Motor

ō

THE CHECK'S IN THE MAIL: The OOP of the charts computed committee's latest girn in mich: seading people greates checks for the catch: Depositing the check automatically authorizes the committee to demand a maint from the recipient's bank account. Common Cause calls the left of deceptive, saying many people will form to great or won't be able to figure out how to stop if the debits. officials targeted the yupple generative by amouthing Harley's rougher edges they can dealers to brighten up their trop took dealers to brighten up their stores with more lights. They stapped the Harley name on cologne and wine coolers of they even competed with blier eables as feell's Angels with their own Harley as feell's Angels with their own Harley

Owners Group.

"We Iried to leave nothing to chance, in the says Yaughn L. Beals Jr., Harley's chair man, who headed a 1981 management in man, who headed a 1981 management in the serveraged buy-out from AMP Inc. Fiv.

years later. Harley went 'A Little Bit Nauty

BURH PACES a jugging act as he campaigns for GOP cauddates this ball.

He plans to stake to his heavy acheduse of his ball, and he partial that the property of master the property of the property of masters automate appearing the potential of the property of masters automate appearing the potential of the property of masters automate appearing the potential of the property of masters automate appearing the property of masters automate appearing the property of the property The company's restyled mystique on a true of Todd Van Slyts, for one. The cyear-old Chicago advertising suchelli-year-old Chicago advertising such as grounded the Rolest Rangers. When you tide thatley, he says, you're doing something in little bit namy."

Another devotes is Milas McAlaster in the such of the such of the such in the such in

Quagle, under freeir constitution will bear more of the partition attack, lasting Democrats as big spenders and talking up the GOP as the party of a street

ergy secretary under Carper, says. "The country was unprepared to embrace the country was unprepared to embrace the formal sequencies for the real thing." A new T-shirt in Ocean City, Md., bears the American flug and, the words, "Try and burn this, trad," It A bumper steiner is New York, reading "No Mo' Coomo." defended which the contract

Harley's Image as a rugged bike aback decades. In 1903, William Harley the Davidson brothers—William, Wall and Annus—bills three motorcycles in Davidsons Hillwautee back yard. Bikes were crude but tough; one of the fement 100,000 miles. Robert Lefton, a St. Louis psychology thinks that some Harley buyers are graphing with middle surmoil, and may arrively as a chance to feel free, power and, well, virile. "Here you are at misand, well, suddenly you had

Your .

JABORLOVSKY They were also all American. Has Please Turn to Page As, Column t

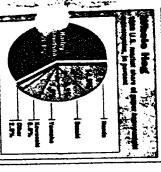
Vrooming Back: Harley-Davidson Woos White Collar Balls Brancis

arved as police biles beginning in 1987 and as access and despatch websites in both order were. In 18th, when Indian Motocy in Manufacturing Cn. of Springfield, it dam, stopped making its Indian stotory, as, Harley was left as the last of whales were more than 150 U.S. producers. Harley prospered until its trembles in his 1570s and early 166s forced drawns.

rr and then struggled to catch up.

Stically every step Harity took was
to attracting upacite riders. The
to attracting upacite riders. The
to improve quality, Officials realed user although blue-collent buyers, loyal
ad mechanically incited, might per
the abeding frequent attention, the
re generation of Harity riders wouldn't,
1963 it introduced the no-called evolution
uplate, an improvement on the then-familifucies, more provement on the then-famility Viven. Reliability increased, and
where no longer had to get their hands

tharley also reduced vibration on its topor-tharley also reduced vibration on its topor-tharles touring biken by mounting the
nagions on rubber, and it offered options
has sophisticated stereo systems and
marcoons bullt into betrants. But the com-



page dish't taker with a few things: Its bakes sill come with loss of chrome and we are done of tall-pipe thunder, it makes your heart thump a bit," says tall-ry Whase, an Artsona dentist who rough his first Harry in 1865.

Many changes, though, lavolved martag not manufacturing, Harley officials

a wearing red or white shirts at moyour railies to dispet the Image that
harring return were only black. They retaged to the sale to be gentle messages at
a year at by Carmichael-Lynch,
historical harring and showed a start 1960s

laginal public oldering price in 1988. La appropriate and part and

When nearly everyone seems to be found when he happy as pages ago, the company was happy as pages ago, the company was happy as pages and happy flearly for the company of the happy as the happy as the happy and happy a

rhatever the next thing is," predicts Ca Rodent" Metzger, a long-haired photogr sher who travels the country taking pl ures of bikers.

that thought has occurred to Harle its advisers. It is one reason the corr diversified into RVs in late 1988.

But Harley bets that innovations like ACC will beight hold most of the new riders. Mr. Beals, the chairman, says U.S. sales have grown steadily, without a suichen boom that could lead to a bust. And of-

ials think the fast-expanding formines, now running about 15,000 bikes are, should eventually approach these e. U.S. Exports to Japan are rising, a company is setting up HOG chapters

larley even sees an untapped mark, the U.S. To encourage more wonten in, the company has formed a "Ladino. The top" club and come out with a me of tattoos for women. For those will ready to make a lifeling commit it ready to make a lifeling commit.

number of very special sports cars, for perfectionists like himself who could appreciate them. The simple fact is it was never Professor Porsche's intention to build a lot of cars. Just a limit. pachensible as it may seem, in any given month, we rarely build two Porsche cars that are identic

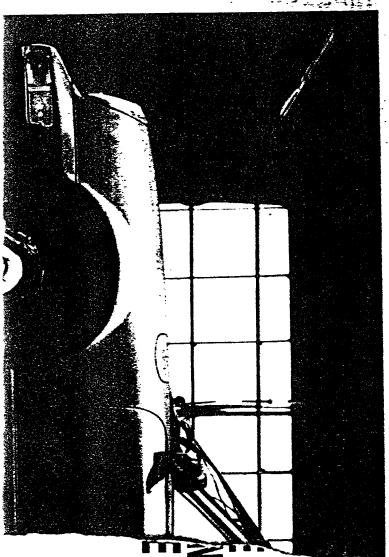
sculpt each vehicle into a distinctive statement for the individual who will occupy it. First, we do things our own way technologically. Seeking the most perfect solution. Then, we virtual It is this fierce individuality and self-expression which has always made a Porsche a Porscl

The new generation 911 Carrera 2 Cabriolet is the latest evolution in this rather unconvention

philosophy

Simply by virtue; of its Porsche heritage in and construction, it stands uniquely apart. Welding alone takes over 4 working days for each body. The painting process requires 26 steps. Engines are bench-built by hand. Convertible tops are individually hand-assembled.

With its legen-



sier, vice president of merchandising. cases next to the 20-W-50 motor

itariey also worked on its image inough licensing agreements, with Mr. ivessive striving to convince retailers that he black, white and orange logo would attract business, not scare it off. He

kee our program." As the demographic profile of the aby known shifts." Mr. Fessier says, "so

sulse purchase, one of Harley's biggest brough local dealers, HOG gives the new hallenges is holding its new customers af Because motorcycles often are an imzed rides, railles and charity runs Enter the

oth easy riders in black boots and week The railies also give Harley executives chance to see what's on customers' inds. Richard F. Teerlink, chief execu-

One biker asked whether Harley would mp out and put rubber mounting under engine of its Softall model. (Probably

So far, Harley has been able to satisfy

designed suspension take yet another leap mance and handling ing rear axle, perforand new self-correctboasting 247/hp, a re-

every car, we seek comes singular. With Porsche truly behowever, that each It is after all this,



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Asphalt Angels Publications Inc. P.O. Box 864 Addison, Illinois 60101



Got a suggestion? An Opinion? Or just something on your mind? Then drop us a line Mailbag cro Asphalt Angels Publications, Inc. P. O. Beox 864, Addision, IL 60101

Too Many Kids?

I awaited the arrival of Harley Women magazine to Richmond, Virginia, with great expectation. After some time, a complimentary copy was sent to a Richmond Harley dealership and passed on to me.

I briefly glanced through the long-awaited gift and was instantly disappointed to see numerous pictures of children and so few pictures of the Sturgis Bike Rally and other biking events. But, I decided to read the magazine from cover to cover before judging its potential to be the type of magazine I would enjoy, one which would give me pleasure in the articles and scenery photos and a feeling of freedom and anticipation that I may some day have the time to travel to all the places I read about.

However, after reading Harley Women thoroughly, I am very disappointed in what it has to offer. It has great potential for supplying interesting and informative articles on scenic touring, motorcycle happenings in various localities, the latest state laws and/or interesting court cases involving motorcycling, etc., but all that is outweighed by the "Kids Korner" and the upcoming recipe section.

Possibly to you, as a person that is most likely absorbed in the rearing of young children at this point in your life, the magazine portrays your ideas; but there are some of us who have reared our children to the best of our ability, cooked for our family when required, and now desire a way of life that can give us freedorn to ride in the wind. I would like to believe (and I do believe) there are even readers of your magazine that are still in the child-rearing years and yet would appreciate a magazine that can give them a short respite from their responsibilities and a glimpse of a life wherein they can reserve a small portion of their own lives for themselves and their personal enjoyment and freedom.

Come on, show the world that women care about more than just kids and cooking!

Thoroughly Disappointed, Virginia

Editors Note: Upcoming recipe section? Huh? Where'd that come from? "Kids Korner" is very popular with our readers (we discovered through a survey we did in Issue #17). Loving children is a part of life, so why should we ignore them and not give them one page out of 64? Our Sturgis article featured 45 photos, what magazine did you read?

Monthly?

I'm all too familiar with the trials and tribulations of the publishing circuit, so I know there can never be too many accolades and I wanted to add mine. You ladies are doing a fine job and put out an excellent magazine. I am in total support of lady riders and regularly encourage more to do so. It is my belief that this is where a lot of the "new" riders are going to come from.

One of the things I like best about HW is your nurturing attitude and encouraging spirit. As a rider of almost fifteen years, even I get inspired by reading some of your contributor's accounts and stories. We wish you a lot of luck and we also anticipate HW on a monthly basis. Keep it up.

Dan Faingnaert Western PA M/C News P.O. Box 296, Ambridge, PA. 15003

Sell The Piano!

I've always wanted to own a Harley but could not afford one. At the time I had two children (Genevieve & Dominic) and was trying to get a decent job. I forgot about it for a while, the reason for this was a crazy idea that I could kill myself.

One day my husband and I went to the optometrist and I picked up People magazine, while thumbing through it, I came across an article with two women on their Harleys (Jo & Cris). I read the article and it said that they would be selling their magazine all around the country. I showed the magazine to my husband and he said, "Let's go and see if we can find it". We asked almost every dealer around our area, they didn't know about the magazine.

My husband went to work that night and ran into a guy who heard about Harley Women. He came across it in Easyriders, and said he would bring it to him. We had decided to go to San Bernadino to check out the bikes. Well there behind the counter I saw your magazine. I had to buy it, knowing it held the answer to the question of my buying a bike or not.

I began to read it and was very surprised on how many ladies ride Harleys. The more I read, the more I wanted my Hugger. Well, we looked around to see if we could find one, but there were so many back orders that they could not guarantee us one. I was getting more and more disappointed until our last stop, Skip Fordyce in Riverside. We asked the

dealer if he had any Huggers in stock. He h: candy berry wine bike, but it was st. its crate. My husband said, "I'll give you \$100 deposit, and we'll try to get a loan".

Our loan was approved for \$4,000-luckily my husband received his vacation check, but still it wasn't enough. My husband put our piano up for sale, and within two days it was sold, unknown to me. He called meat work to see what time I would be getting off. Jokingly I said, "Why, are we going to pick up my bike"? He said, "Yes, I called the dealer to get it ready". I was so happy I could not believe that within two hours I was going to have my new toy.

When we got there, she was getting her back seat put on, and through an open window I heard her cry for the very first time; then I saw her headlights coming through the doors. It was like holding a new baby for the first time. I walked over to her and said, "You're mine and we're

going home".

I would like to thank you ladies for helping me decide that I wasn't crazy for wanting to own a Harley. Keep up the good work. I am sure that all us Harley women are very proud of you.

Proud Owner, Irene Moreno Valley, CA.

The Early Bird Gets The Harley

For all you ladies out there that want to, don't give up that dream. When I met my husband 25 years ago, he had a 250 Triumph Cub. He insisted that I learn to ride. I hope he's not sorry, because I got on and for the next 20 years we had some hectic battles over who got the bike and when. In 1983 he brought home a '76 Super Glide. We argued over that one too. I decided that I wanted a Harley of my own. My last daughter married and left home, and at the same time I went to work full time. That's right, I now have a Harley of my own. I bought a 1983 FLHT, so you think the arguing would stop, NO WAY. I have to get up before my husband if I want the bike for the day. I don't mind you see, he has to get up real early to beat our 17 year old son to his!

By the way, I am 43 years old, the mother of four and grandmother of three. If it's in your heart, go for it!!!

A Harley Grandlady Judy Maleski, N. East, PA.

Texas Style....

Born on a hot day in August 1956, nothing agrees with me more than a ride on my bike on a warm summer day in the hill country of Texas. Right now I ride an '84 XLS-1000cc Roadster, customized for comfort and taste.

I just want to tell you how your magazine reunited me with an old friend whom I had lost contact with for 8 years. I tried several times unsuccessfully to find her, and the first issue of *Harley Women* I read had a letter she had written

Harley Women

to Mailbag. From that letter I wa. to contact her and we celebrated our long lost friendship at her ranch in Texas. After all those years, we still share the same interests and have started production of motorcycle accessories for women. I have been wanting to write to you for a long time, and thank y'all for a terrific magazine, the instrument, in which by coincidence made our paths cross.

Also, if there are other women in Houston with motorcycles who want to know other women with motorcycles

write:

Rickie Taylor Box 34830 Houston, TX 77234-4830

Right There With Us

I am a senior citizen, a Christian, and a mother of a Harley woman. I am also a lover of Harleys, probably before most of you were born. Of course, the greatest bike in the world didn't look anything like it does now, but neither do I. I guess that makes us even, except they have gotten better looking and no wrinkles!!!

Now as to why I am writing....when my daughter read me an excerpt from Harley Women, I broke her eardrums with, "All right-GO FOR IT!!! It is a great magazine, just what we needed.

I personally want to thank all of the women who wrote my daughter, Terry Dawson. She is so excited to have "sisters" who love biking to write to. You see it runs in our family. Her Uncle is a Harley Sales rep. in N.E., New York, and of course he and my sister (plus family) all have been riders. I also want to thank all the great gals from Women In The Wind, a fantastic organization for riders, of which I am an associate member. How about that for an old lady? Well, if I could ride (got a bad knee and back), I would be right out there with you all.

Anyway gals, more power to Harley women who ride with the feeling of freedom, their heads held high with the pride of women carrying the banner for those of us who would like to ride, but can no longer do so.

God bless you all and protect you as you "RIDE THE WIND".

MOM, Grace Comparetta N. Arlington, NJ

Looking For Others To Ride With

I am 24, married and have two children. When I first started riding, I rode a 1963–500 Triumph Daytona, then I moved up to a 1970–650 Triumph Bonneville. Now I ride a '72 Sportster with Fat Bob tanks. I have only been riding by myself seriously for a year-and-a-half, but I have been raised around bikes, and always rode as a passenger. Anybody out there that's thinking about riding on their own, DO IT, you have more support than you know.

Anyway, the reason for writing this Harley Women

letter is that I am all for women ride looking for other women riders so we cannide together. I asked some friends of mine (Big Jim and Mama Unit) who own Motor Cycle Co. Bike Shop, if I could correspond through their shop. I live in Garfield Heightson the outskirts of Cleveland. I ride with four other women and we would like to see more women riding. If you're just learning, we will help you and give you all the support you need.

I'm lucky enough to own my own home, my own Harley, and have a husband who supports me 100%. I can be reached through:

Peggy Adams C/O Motor Cycle Co. 5279 Broadway Cleveland, OH 44127

Can I Ever Identify!

In response to your "Plea For Help", (issue #22) I wanted to let you know that Mike and I are behind you 100%. We only know too well about fighting on and on to get your word out to everyone possible. There never seem to be enough hours in a day or hands pitching in, but somehow we manage to get it together enough to put out the next issue.

Being a female relatively new to the wonderful world of wind in my hair, your magazine gets me loving this sport more and more. I've always admired and no longer have to dream about riding on a Harley. I'm still dreaming about having my own, but that will soon change too. It's encouraging to see all the other female riders that are out there. Thanks for your terrific portrayals of these great women and this great way of life.

Congrats to all of you and best of luck with your growing success.

Melanie & Mike V-Twin Trader Magazine P.O. Box 1402 Beverly Hills, CA 90213

P.S. We've increased the size of your ad in our upcoming issues as our way of helping you out!

Now if we could only get a new typewriter......



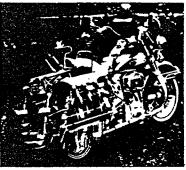
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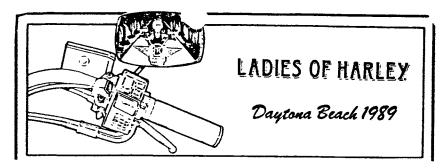
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By Stephanie Feld

During Bike Week 1989, the Harley God decided to give the Rats Hole Show a break, and drown the H-D Ride-In Shows for a change.

Thursday, the day of the Ladies of Harley Show, featured a high temperature of about 48 degrees, off and on (mostly on) rain, and thirty mile-an-hour winds out of the north, which probably had something to do with the poor turnout for the ladies class.

There were only about a dozen bikes entered, but the ladies are obviously a hardy bunch. Several entries were so crusted with mud that it was hard to tell what color they were when they arrived, but the owners fell to work with rags and soon the bikes were glittering. (As much as anything can glitter under such a lowering sky...)

As usual with this class, the entries covered a wide range of styles. On the conservative end, my favorite was the blue FXRT owned by a young mother. Her husband had painted the bike and fitted the passenger seat with a high-chair-like arrangement for carrying her children (one at a time, of course). Despite having two children (and I don't think they were more than six years old) she had run up some 43,000 miles on the FXRT in only two years! I guess being a mother didn't slow her down!

Then there was a girl on a white Sportster, whose dog accompanied her to the show on his gas tank-mounted pad. Good sized dog, too.

One girl pulled in on a Mudster. Turned out to be a very pretty candy purple 883. She deserved an "A" for effort I didn't even bother to wipe the grime off mine. I figured it would be filthy again in five minutes, anyway.

And then there were the winners......
Honorable Mention went to Sandra

Honorable Mention went to Sandra Papierski. She was riding a 90% stock 1976 XLH. The other 10% was either plated 24 karat gold or black chrome. The fenders were accented with a ghostly white pinstripe, and the gas tank sported a magnificent white eagle. All the graphics are done in a new technique developed by Atlantic Coast Plating; the eagle and pinstripes had been applied with baby-powder from an airbrush, and the

tanks and fenders are black chromed. I don't think that effect could even be matched with paint.

One of the runners-up was Carol Baan, on a 1986 FLST. Her Heritage was distinguished by lots of chrome, FLH-style handlebars (with snakeskin grips), a burgundy-and-white paint scheme with panhead tank emblems, and ornate saddlebags and leatherwork which had to be the work of Dirty Bill of Tennessee.

The other runner-up spot went to Marie Todd, wife of Skeeter Todd, one of the country's best Sportster specialists. This year's entry was lowered, with a cafe-style fairing, and a large gas tank with a Buell filler cap. (I'd love to know how Skeeter did that, the Buell cap is about the only locking cap in the world that doesn't look like it belongs on a Jap bike.) The rear fender was bobbed, the shocks were definitely something different, and the bike was painted a deep candy blue and white. Even the wheels, oil tank and ignition module cover were painted to match.

First place was won by Loretta Shute's 1986 FXRS, which was easily the most radical machine in the class. I believe the chassis was stretched a few inches. I know it was lowered. The bottom cradle of the frame couldn't have been more than a couple of inches off the ground. The gas tank started life as the original FXRS tank. Then the instrument indentation was filled in, leaving a flush filler cap, and the whole tank was lengthened to fit the frame. The fairing was similar to the one on Marie's Sportster, but on Loretta's bike one-piece pullback drag bars were used to clear the fairing. The engine was finished in black and chrome while the tank, fenders, frame covers, and even the seat. carried turquoise and magenta graphics on a black background, in the popular new "seismic wave" style. (It's probably not a new style out west, I'm sure it was invented by a California pinstriper who got "quaked" in the middle of a job.)

I thought the judges did a pretty good job this year, but I'm sure not everybody agrees with me. Over the last few years, I have spoken to several women who were upset when their much-loved Harley didn't win anything in the show.

A motorcycle show is scored like this....

When a motorcycle is judged it is broken down into several categories, each of which is worthso many possible points. In one national show, originality is worth a maximum of 15 points. Paint is worth a maximum 25 points. Engine detail is worth 20 points. The bike is also judged on upholstery, safety, chrome, etc. In each category, the closer a motorcycle is to being perfect, the more points it gets. Add all the categories up and the bike with the most points wins. Sounds simple, right? So why are so many people foaming at the mouth when the awards are given out?

The problem is that shows are judged by people and, as we all know, everybody in this country is entitled to an opinion. That's the operative word folks, "opinion". The judges score shows according to their own personal vision of perfection. They try to be objective, but they're not machines (thank heavens) and there's always a certain amount of personal opinion coloring the judging. There may not be one bike that's clearly superior to all the others, and in the end it's going to be the one that the judges like the best. You might think they recrazy when the awards are given out, but that just means that you and the judges have different personal

If you don't come up with a philosophy to deal with the judging situation, you're going to get ulcers trying to show a bike. I look at it this way....

I love my motorcycle. I think it's about the most beautiful Harley ever to hit the road. The guy next to me might lose his lunch over it, but I don't care because it was built to my personal vision. I put it in the Ride-In Show every year not with the idea of winning a trophy, but to show the bike off and meet new people.

I love the Ladies of Harley Show. Every year I have met fascinating people there, and I've learned about how other people build their bikes. As much fun as Bike Week is, the Ride-In Show is the most fun thing of all.

So next time you're in Daytona, or at one of the big HOG rallies, why don't you enter your Harley in the Ladies of Harley Ride-In Show? You'll have a great time and who knows, you might even get one of those beautiful engraved plaques to hang on the wall at home.

See you next year!!

A Strong Desire!

I guess you could say I had a normal childhood. Both my parents were straight and worked. I had two older brothers that really gave me hell. Being the youngest of three I learned early that I either had to whip my older brothers, or out smart them to survive. I did have a slight edge, I was Dad's favorite. Life went pretty well along normal lines until I turned ten. I had always been overly aware of motorcycles and would just stop and stare when one would go by. On my tenth birthday, my oldest brother had a friend come by and give me my first bike ride. I was never the same, I had been

bitten by the bug. From that day on I was constantly after my parents to buy me a bike. My Mother was horrified that I wanted one, but I knew my Dad was really amused, although he also refused. My brothers who were only into sports, just made fun of me. When I turned twelve, my Dad made his mistake. He finally consented to let me get a bike, but I had to earn the money to buy it myself. My Mom reluctantly agreed, thinking it would be impossible and I would soon give up. My Mom didn't know me very well. I cleaned yards, garages, washed cars, and even babysat. It took me almost a year to save up \$175, but I was a miser. Just before my thir teenth birthday I bought my first bike. My Dad had to drive it home cause I still wasn't old enough to drive on the street. I was the proudest kid on the block. The bike wasn't much, but to me it was the most beautiful thing on two wheels. It was a 1954 blue Cushman step-across, automatic scooter. We had an acre-anda-half for a backyard so that is where Dad parked it. Then he told me when I learned to kick it I could learn how to ride it. Dad went in the house where Mom was really raising hell. He told her to calm down, it would take me at least two weeks to figure out how to get it started. Well, seems they forgot to tell me this fact. I had that scooter going in about twenty minutes and was cutting myself a trail around the yard. When I looked up at the house my Dad was standing in the door with the biggest smile on his face. Later I found out that he turned to Mom and with great pride said, "One day that kid will be a Harley rider." Mom just threw her hands up and walked away.

I had lots of bikes after that, each one I paid for by myself. I tried motocross but I really just liked tearing out across fields or up a hill. My Brothers constantly made fun of me about my obsession for bikes.

By Martie Halter

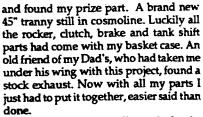
Like Dad, you could tell that they were proud. My Mom, being a nurse, could only see the bad side and was always cautioning me to be safe. I asked her to ride with me but she strongly refused.

Of course, as all riders, my goal was that one day I would build my own Harley. This dream was shared by my Dad and we would talk on and on about

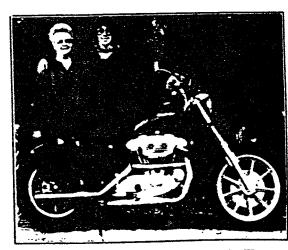
what it would be. Unfortunately my Father died before my dream could come true, but I never gave up. At eighteen I bought my first Harley, a 45" basket. It was a 1939, seventy percent there. For the following eight months I went to work. came home and went straight to the garage. I lived for the day that scooter would be finished. Mom realized this as we were the only ones left at home. Both my Brothers had finally gotten married and left me in peace. I guess Mom got lonely by herself, she got to where she would bring me a dinner plate out to the garage and talk. She really did try to get interested in my bike. There were always plenty of guys hanging around out there, but most still rode a Jap bike and were only interested in chasing chicks. I was only interested in getting my bike up, so my social life went to hell. I didn't really care, there would be plenty of time for that when my bike was done.

I hand-sanded the wishbone frame, original fatbob tanks, front and rear fenders. Then I took it all over to a friend's

body shop and we painted it candy blue. Next I bought a old stock buddy seat and a chrome cats-eye dash. I found in a junkyard an old wide springer front end. It was four-and-a-half inches longer than a normal I had it springer, chromed. The motor came next. A friend had an old Indian Chief basket for six years and never could get all the parts to get it running. With much pleading and begging I managed to get his wheels to stroke my 45". I went back to the junkyard



The day I was finally ready for the virgin run only Mom and I were there. That was the way I wanted it. I was so excited when I got on that bike to give her her first kick. I just stood there for a second then slowly worked the pistons tight and jumped. Nothing happened, my heart sank. A million things ran through my mind that I could have done wrong. I worked the pedal up again and kicked her through. This time she gave out a cough and wheeze, my hopes rose again. I looked at Mom and saw the hope rising in her face too. Again I kicked and again



Harley Women

she coughed. On the fourth kick: fired up and ran. Feeling that i vibrate beneath me I knew the feeling GOD felt watching Adam come to life. I looked up at Mom and saw she had a smile on her face to match mine. I made a few adjustments on the carb and was ready for a road trial.

Without saying a word, Mom walked to the garage door and slid it open. I revved up the motor, pushed in the clutch and put the bike in gear. Then I looked at my Mom and said, "Go with me." Still without a word she picked up my helmet, put it on and got on behind me. Together we rode through those garage doors into a new world.

That ride took place seventeen years ago, but I will never forget it. It was the only ride my Mom ever took with me. I still ride Harleys and always will. I unfortunately have had several spouses who have tried their best to get me to give up my sleds. I came pretty close to giving in a time or two, but in the end my passion for being in the wind could not be su-

It had always been a dream of mine since childhood to have a family that rode together and I wasn't going to give it up. I had two kids from my first marriage who felt the same way. Well, four years ago our dream came true, I found my perfect mate. We spend almost all our time together either in the wind or wrenchin' in the garage. We love visitin' with other folks about their experiences and bikes. So if ya see us on a run, stop and chat. I ride an '84 Softail and my better half, a '68 FLH with a sidecar. All my friends call me Snapshot cause I am also a picture buff, my kids just call me





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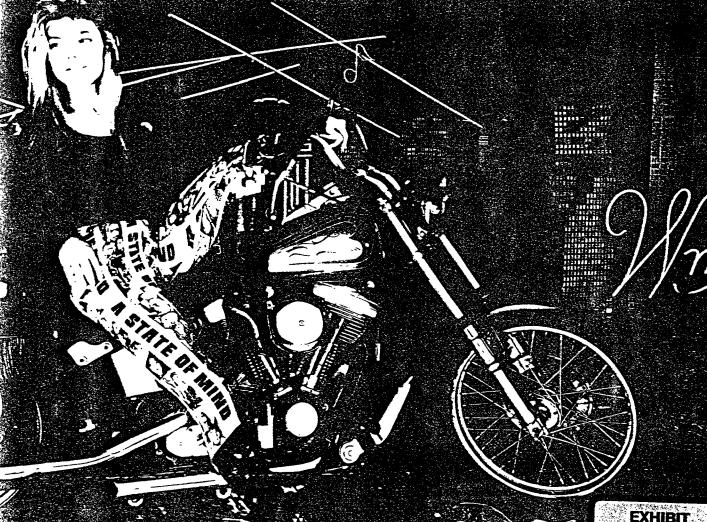
My spirit goes to places where no one can find me I feel like an eagle gliding on air The wind's in my face, I untie my hair. I look at my shadow and I'm in command The smile on my face

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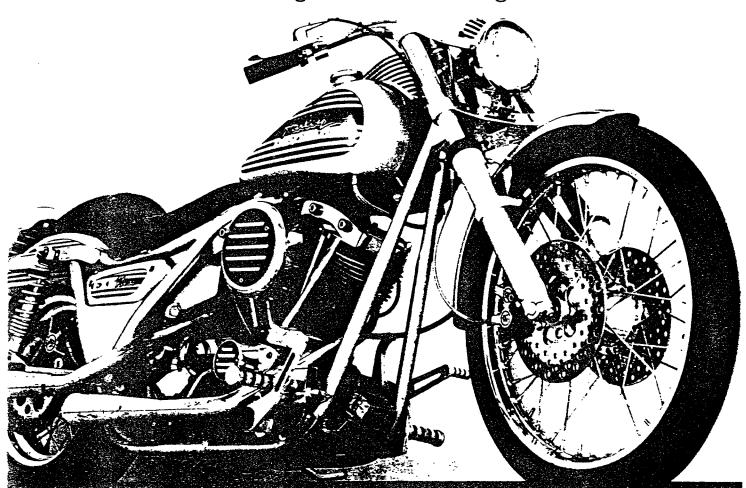
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A SHORT SUNDAY AFTERNOON RIDE

By Roger Hull

unday the 24th of June, 1979,

Remember what you did that day? Well I sure as hell do—with a few friends I went for a ride which has become a bit of matorcycling history. That was ten years ago now and

people still ask me about it. If they don't I go ahead and tell them anyhow.

That was the day Malcolm Farbes and five companions rade matarcycles across the border into the Soviet Union: they were the first—and for the next nine years the only—Americans ever permitted to do that. Three of the group were members of the Forbes clan: Malcolm, of course his daughter Maira: and one of his sons. Robert. I was one of the other three ricers, that's my big claim to fame to so-ran category).

it wasn't as simple as it sounds, nowever. For a good part of the preceding year Malcolm had been trying through the regular diplomatic channels to obtain Russian

MP

permission for the cycle tour. Didn't work. Nada. Nyer. Finally he appealed to his friend. Dr. Armand Hammer, who referred the matter to his friend, then Soviet Ambassador Dobrynin, who took the request to his friends in the Kremlin.

But still there was only silence from Moscow

Based on the assumption that permission would be granted, the original plan called for the group to pick up the motorcycles in

Munich. West Germany ride across Czechoslovakia. Poland. and into the Soviet Union to Moscow and Leningrad. then return from the USSR via Helsinki Finland. But as hope dimmed that Russian visas would be issued. Malcolm came up with a less intriguing alternate route. which replaced

the Russian portion of the trailwists to several other countries in the Eastern Bloc.

There was still no word from the Kremlin when it became time to fly to Europe, and it appeared we would have to settle for the stand by route. Then, only three days prior to our planned departure from Munich, word arrived that there rules and issue us visas after all. That's how close it came to not happening.

Three days later we cyced out of Munich heading mostly east and, a few hours later, ducked behind the Iron Curtain at the Czechoslovakian border. During the next few days we made our way across Poland to Warsaw From there it was a comparatively shorride to the USSR border.

Midafternoon on that surray summer Sunday Polish authorities checked us out at their parder sta tion. Then six people on the cycle (Moira was riding passenger behind her father) ventured into a small demilitarized area where a the for side, uniformed Sovet soldiers armed with machine guns guarded a lowered gate. Beside was a sentry house and a sign bearing four big red letters CCCF There we stopped. It was obvious we were expected but, perhaps were not exactly welcome. The expressionless Russian soldiers stood silently looking us over. No smiles But no frowns, either. One finally went into the sentry house and made a phone call. We waited looking beyond the gate where the road continued for a short distance, then curved to the left (no pun intended) and assoppeared into a forest. No structures were visible.

Completing his call the soldier stepped out of the sentry house and said a few words in Russian Another soldier moved over to operate the gate. On the marley ahead of me Moira turned to smile back at the rest of us as Malcolm shifted down and they rode past the gate. Here we go her smile said. The first American motorcyclists ever admitted into the Soviet Union.

I started to follow Malco ~ Whom! The gate sudden .



Mark: Jesus HOLY DWINESON CHRIST

rom '60s Hippies To '80s Yuppies, Harley Has Appeal

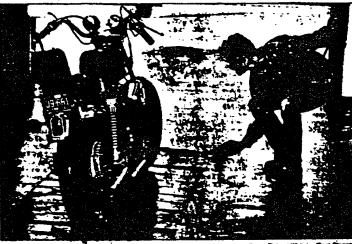
wie Bouw Lee Angulus Bully Hove LOS ANGELES

U CAN blame Peter Fonds of Decats Benner. d on their Birty "hop" "Easy Rider" and, to the hoppenwell's "Bore to be d off in search of

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extensioly 25 Heristys in a of 76 materixists.



"R's a fueling of power and contrus," added character action Villians, Russ, a Hartey owner who will soon to men in "The Bunk Joh," a Sims from Tootstone Pictures. "I blank it's in Feeling of Independence, hallviduslism. It relates to a lot of essed to have a measur, bade nage. I don't know why people news to outlaws, but they are."

Despite this glamerous utley image, the current Harley based Hartsy-Luvisuus Lou, me only major American mosorcycle manufacturer, was in serious trouble Crippied by campetition from Japonese biles, the Hartsy hange was also noffering because

la 1961, a group of Harley In 1811, a group of Hariny management people encoted a linvariged beginning perchand (perchand (permane) from AMT, which had owned it since 1980. AMONG Hariny-Davidson lest \$25 million to the next Secol year, the new management team recognized the company's problems and set out in fix them.

To 1901, Earley-Davi a better way to make our motorcycles, because we know we motercycies, because we knew we had a lot of quelity problems." said Kafterys Molling, manager of public affairs for the company. "One of the things we did was to take a look at the cycie: We needed to bring it up to botter manufacturing technology. We redesigned the engine. We were the first to have electric ignition.

"We also instituted a sarketing program. We had to let sopie know that it was a better sotercycle, so we introduced the saccept of "demo-ride," where sopie can actually try out the new

"The appeal (of the Eartey) has been breadened." Purbes said. To where you don't have so look if you were been so it included to lineds, the Japanese creased a whole new marker (for monreycint), made them more accombine to people. You didn't have to be a machanic to ride a little. About four or five years ago, they (Barriey) came out with a botto major, and with the improvement of the bitte, you didn't have to rise with wreaches, you could ride with wanches."

persphericals. This means that the hurwardy hag meaning is artislable own in these who don't own one. But like all trunch, there is a high larger of probability that hogenanis will have its day. The question is, will it be scooner rather than inter? Or will a new peneration of sex-charged, pseudo-eather pupples continue to make the Rarriey-Deviction the hipport may meteorycle on the read? "I don't know if they?" maintain

Devisions the hipport sight materials on the result?

"I den't knew if they'th materials the montentium of increase, demographic-wine," and Ford. "but I think the mystiges will always be faver. Berkey-Davidson has taken what was a mystique and image for larve, and takes some of the curboy-regard individualism parts of that image, and brought it to applie, people who can join the club by writing a check for \$12,000. But mid, imagine," yet know, the only drawback to my Rarley to that overy two-th calor in Bettywood has one now. We've all gatting older, we can efford them now, and we've all mying. You have, I always wanted to do thi. But I'll be interested in 19 years to the people one will be a ser sell.

Perbes is only partially joking Perton is only partially loking with his "weaches" comment. He has made the gamb; calculation Hanks to his highly publiched Harley rides "with Elitabeth Tayler, and has even given La Lix a model 1813 Hugger all her own. The fact it, sharevers here has notorcycles, and Harleys, with their ownstried engines—the mealinst Harley engine has a displacement of SI2 cubic. smallest Earley engine

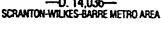
"It ithe nexestity! is shy maid Denter Ford, executive action of Mintercyclist impassion. Harriey-Devident is a very democral, creds title. They're not sensech, they're not supplicated, they're not efficient or even very powerful. What they do have in a best in them that hencetty desse back to 1983, they have an unbruben lineage to before World War I.* The Harriey-Davisson mystique in, then, equal partr historical

The Hartey-Davision mystique in them, equal parts interioral coetimens. "Bed loy" posturing and azzual provocation. But it is demographice, particularly yraptic transitions, that has betped make the log a lift with stackbrukers and movie actors alite.

"As seeme of my blace trimeds would my," hum joked, "people are beying Harteys became everyone get tired of beying HAV. You know, so mather what bike you rude, you always wanted to feel like you were on a Rarley. No one was

AUSTIN. TX. **AMERICAN-STATESMAN** D. 165,000 - S. 200,000 AUSTIN METROPOLITAN AREA

届に しょ 1987



MAR 16 ICEL



PANAMA CITY, FL **NEWS-HERALD** D. 34,327—S. 38,541 PANAMA CITY METROPOLITAN AREA MAR 1 9 1989

SCRANTON, PA

MORN. TIMES

-D. 14.036---



"You've beginning to see the Irvail of that program," Molling said. "It became more and more apparent that the (settler) shreatype was wring, that these people capity materyching, the sport of meteryching," According to studies done by the campany, the profile of the overage lineity-Davidson owner is now a fine

company, the profile of the Swinn larriey-Duvideon owner in now a S cry from the days when hear-yrium, tentened bitser suttuves to such Blust as "The Wild Ampsis" as "Born Laners" defined the leg image. These days, owners of the big bits tend to be make (16

TACOMA, WA. **NEWS-TRIBUNE**

D. 110,800 - S. 123,000 TACOMA METROPOLITAN AREA

1823 1 1923



MADISON, WI STATE JOURNAL D. 81,476-S. 148,261 MADISON METROPOLITAN AREA

MALL IS THE



MAR 10 10EE

WOODBRIDGE, NJ **NEWS TRIBUNE**

D. 50,331—S. 48,878

IDDLESEX-SOMERSET METRO AREA





TAMPA, FL TRIBUNE -D. 237,205-AMPA-ST. PETERSBURG METRO AF

MAR 2 1889



Liz Licquis and Gi onn Lopez opt for donlin hie 1967 Hartyy-Dav



rley-Devideon hats, vests, Jeans, jackets a

Harleys drive biker gear into mainstream fashion

By JUDIE BROWN TAGGART

TAMPA — Harley-Davidson is polsed to rour full throttle onto the fashion scene.

estiaw riders, is showing up ad more today on mainstream

Americans.

That Harley rider relling by on the road, decked out in black losther pants, jacket and heissel, is more likely to be a

han a memoring marrametr.
"It's no longer a part of Hell's As-eix," says Scotl Barnes, owner of the laricy-Davidson dealership in Tampa.

called "hope" by their owners.

Wall street types and the conservive hustness world took note when personal furnities Malcolm Forbes started turnit inner matchin Forms survive urbing up on bites whinting around Manhattan and sevirous. He even gave Lir Taylor one when they dated. Forties is said to own more than 10 motorcycles.

Stars ride Harleys

Diars five risineys

Toess' seads ture by the sight of
John Cougar Mellencamp, Juy Leno, Bilty ido! and Jos Bos Jov! on Barkeys,
dressed is bether and dealm made by
the bitse company.

Movie stars such as Arnold Schwarsanegger, Mickey Rourke, Sylvaster
Stallose and Tem Cruise cruise on
bitses.

And wrestler Bulk Bossa beeps cur-And wrester Bull Hopes Beeps can me Bariety at his homes in Florida. Connecticut and California. He'll soon whit across the silver screen on a blize in a film called "Rip Em." Hariets already some macho mys-

tique, and this celebrity stampede just serves to polish the image. More appeal is added by the promisent eagle in the company sit, symbolizing freedom and independence.

"That eagle means a lot and has a powerful appeal," says Sieve Wright, a Harley owner in Tampa. "Riding gives you a tremendous sense of freedom."

Trend tractiers quickly lears that these prustigious bities cost between \$4,500 and \$12,500. That's a bit price; for the average the follower, so wannahess are settling for looking the part by drawing like biters.

The continue and all Harter-David-

drussing like bilters. "The cicting and of Barley-Dovid-ton has just exploded," says Sancy-Barnes, wife of the owner and beyer for the dealership boutique. "Initially there were just Tellura, leather jackets and helmets. Now there is a big market ex-plosion of products."

Decems of Tellura styles 588 the

shelves of her store. There are leather jackets, vests, pents and chaps, plus an array of clothes in denim. Jewelry.

array of clothes in denim. Jewelry, patches, lingerie, paginases and home accessories are stocked in plans cases. And Earley products are not confined in thite shops. Earley denims are carried nationwide by JCPenney and Merry Go Round storus.

Biker jewelry in rolling into Special Effacts jewelry stores. "It's a hot treot mays Sherry Budson, nanager of the shop at Tampa Bay Cester.
All authentic Marier near bears the

shop at Tampa Bay Center.

All authentic Harley gear bears the company sig. The designer behind it is known simply as Willie G., which stands for Willie G. Davidson Sales of Harley-Davidson clothes in \$50 million as 1885 Among dedicated Harley people. Willie G. is as revered as Raipa Laures is by winceles.

new places my they out to reason fite that just to be dashing or macho or hip We talked and role with a convivial group of Barley riders who gather each Wednesday night to ride and have din-

Bot RIKERS, Page 1F



Scott Barnea, dressed in a Harley-Davidson shirl, suspend jacket, rides an Electra Gilde Sport model "hog."



ikers say leather and denim are functional

gether All of the 36 riders on ariey hogs turned out dremed nim or leather.

out of the bikers stremed how innal the clothes are on the

H and Brenda Griffia of Waucach have a blke and coordi-leather outfits "We bought or outlits the first year because ide if a lot more comfortable.

and weather," she mid.

Wright, who owns three bikes, echoes that assertion. "It's exciting to get out there on the open road. but you certainly have no protec-tion. Denim gives it to you in warm weather and leather when it is cold. It's part of having a Harley. They are as fast as sports cars and a lot less expensive than a Porsche or

he has an entire Harley wardrobe. It includes a leather vest, pants. chaps, lackets and three pairs of

toots.
Collecting Barley T-shirts is a bobby. "I guess I have 50 or 60 can't be at work, says Barn T-shirts. I pick them up everywhere I travel as souvenirs." Nasratiah Harley transformation **3973**.

Weather guides Ron Courad, an an who lives near Turkey Creek. He

keep the wind off my chest."

Riding a bog gives a person the opportunity to be something he can't be at work, mys Barnes.

Preppy Tampa accountant George Lugars turns from Clark electrician and 16-year biker veter- Kent in his oxford-cloth buttondown shirt and jeans into Superhor Richard Nasraliab, a general says he wears either a denim jack- when to oom his leather jacket and

Jerry Neims, a Elisborough County deputy, is offended when people criticize biker gear. "Guys who like to play golf dress for the sport. And they wear terrible clothes. I don't see what the difference is," he mys.

Barley-Davidson is an American made product, and some riders mystique," says Barnes "We de express that with pride in Europe. Just sell bikes, we sell fun "

the brand is considered to be pa of Americans, along with Levi's a-Western boots

"In Italy, anything with a H logo is hot," says a company representative "We recently sold 25 Tshirts at \$25 a pop in Italy

The ultimate appeal of dremlike a biker, whether you rice not, is associating yourself wire brand and sport that has mach: peal, patriotic leanings and sym: izes freedom for individuals

it's definitely a machine with

Mark: (JESUS)

Harley 'charisma' revs up sales at dealership But location in home of Harley gives House of Harley an edge

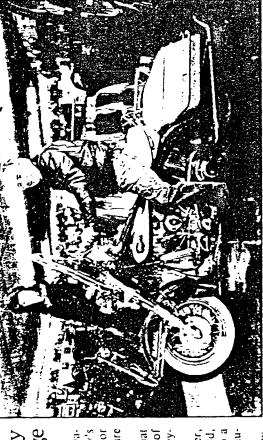
N DAVE JUNEEN

dealerships in the same area where the guts for more than 50,000 of the legendary motorcycles are It's gotta be "hog" heaven, being a Harley Dacidson enthusiast and owning one of the company's manufactured each year.

"There is a charisma with Harley products that defies words," said Jerry Renner, 49, owner of House of Harley-Davidson Inc., the oldest Harley-Davidson dealership in the Milwaukee area.

carries everything from a \$13,000 motorcycle to a \$5 pair of panties stamped with the words, "Genu-That charisma translates to sales for Renner, whose store at 6221 W. Layton Ave., Greenfield,

Operating such a store in the city that Harley-Davidson turned into a biker's Mecca 1sn't lost on



Jerry Renner

"We are the heartbeat of America, as the Chevrolet ads say "

THE BUSINESS TOTALED

Harley-Davidson aficionados blaze path to House of Harley

Renner, He sold 10,000 T-shirts to the wankee to celebrate Harley-Davidson's 85th birthday last June. And he recently unloaded 22 motorcycles at one time to a group that had made the pilgrimage to Mil-50,000 bikers who descended on Milwankee to tour the company's plant at 3700 W. Juncan Ave., Milwankee,

But he sees the main advantage of run- a local Harley-Davidson dealership ... ough the eyes of a bottom-line realist.

"The factory is a local phone call," he

Davidson dealerships in the Milwaukee son Inc., 16701 W. Cleveland Ave., New House of Harley is one of four Harley-6312 W. Fond du Lac Ave., Milwaukee; area. The others are Hal's Harley-David-Berlin; Harley-Davidson of Milwaukee, and Suburban Motors Harley-Davidson, 139 N. Main St., Thiensville.

size merchandise other than motoreyele mini-mall for Harley afferonados. It still is the only dealership in Wisconsin to empha-House of Harley into the country's first But three years ago, Renner turned parts, he said.

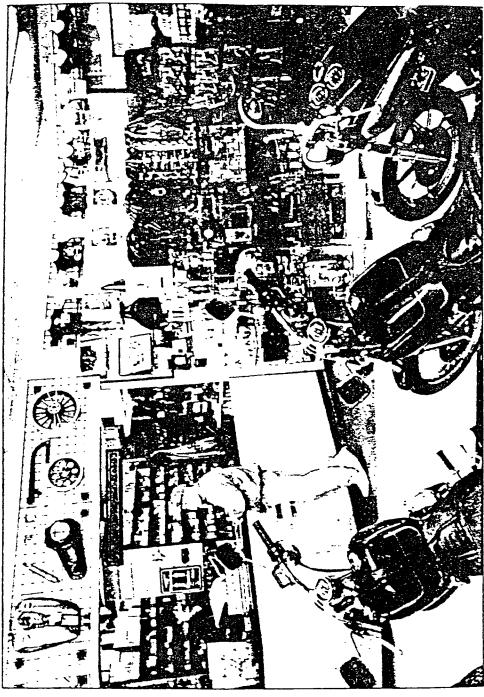
The decision to offer the merchandise a smart business move

"It has tripled my parts and accessories sales in three years," Renner said.

Harley motorcycle is affectionately known) an eagle, the guardian of "hog" (as the with the familiar Harley-Davidson logo, or His inventory includes \$300 leather jackers, \$200 vests, \$20 pajamas, \$10 Parker Pen sets and \$150 watches, all emblazoned

plasses, lighters, patches and necklaces. You can even pick up a pippy bank with a hog's there are Harley baby bounets, belt buekles, knives, rings, nephpees, wallets, sun-If those items don't trip your kickstand

But I shirts are Renner's most popular item, and black still is his customers' layor



The inventory at House of Harley Includes \$300 leather Jackets, \$200 vests, \$20 pajamas, \$10 Parker Pen sets and \$150 watches, all emblazoned with the familiar Harley-Davidson logo, or an eagle, the guardian of "hog" heaven. You also can pick up Harley baby bonnets, belt buckles, knives, rings, negligees, wallets, sunglasses, lighters, patches and necklaces.

The inventory at House of Harley is ludes \$300 teather jackets, \$200 vests, \$20 papinas, \$10 P., Ker Pen sets and \$150 watcher, all emplazoned with the familiar Harley-Davidson logo, or an eagle, the guardian of "hog" heaven. You also can pick up Harley baby bounds, belt buckles, knives, ungs, negliques, wallets, sanglasses, lighters, patches and necklades.

70s, have been riding "hops" since since 1950, logs between 12,000 and 15,000 son FLT Classic, His wife, Zola, was raised Harley family. Her parents, now in Renner, who has been riding motoeyeles nades each year on his own Harley-Davidthe 1920s.

"Aty wife has logged 150,000 miles plus on the back of a motorcycle," Renner said

ships became available. He grabbed the opportunity and opened House of Harley House of Harley is one of two original Harley franchises that were opened by Knuth Co. in 1929, Renner was the service manager at a Menomonee Falls Cheyrolet dealership when one of the Harley dealeron Dec. 4, 1972.

Selici.

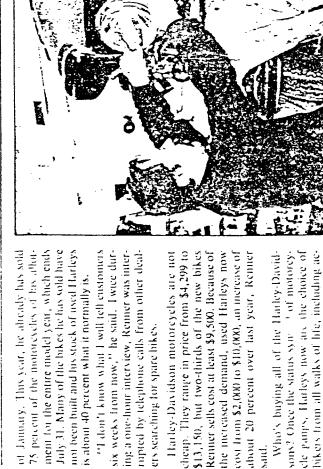
year. His personal collection of Harleyiversees 10 employees and boasts gross sales of \$2.5 million per Davidson motoreyeles has mushroomed. Loday, Renne

"Don't ask how many Lown right now," he said, then figured he has seven. "They Telassic machines — late 50s and early them on the floor where they become curities. I like to work on them and then put osity pieces."

its market share from the Japanese, it has become mereasingly difficult to get a new Since 1984, when Harley-Davidson came out with a new engine and began reclaiming "hog."

meet demand," Renner said, "Harley-Davidson is experiencing probably the best "We do not have enough motoreyeles to torescles this year than ever before, but 30 percent of the people who want a motoreymine in its history and will make more mocle will not pet one."

percent of his model-year stock by the end In a typical year, Renner sells about 25



Dennis Chilinsky works on a "hog" at House of Harley, 6221 W. Layton Ave., Greenfield. The dealership employs 10 people and logs annual sales of \$2.5 million.

redefine its market. It also got some temporary relief from the federal government under the 1974 Trade Act.

"large core of Hollywood celebrities" who

nessmen, including publisher Malcom

Forbes, have made no secret of their desire

Ann Margret, Tammy Wynette and Fred Dryer. In addition, some prominent busi-

are Harley enthusiasts, including Jay Leno,

to get out of the board room and onto a

Hale:

But the popularity of Harley-Davidsons

And the percentage of women riders is

doubling every year, Renner said.

road and the wind between them and God.

Even the clergy are donning leather jackers and leather pants to cruise down the highway at 65 miles per hour with only the

countaints, chief executive officers, physi-

cians and attorneys.

"All of a sudden, people are paying attributed some of the bike's popularity to a

tention to Harleys," Renner said. He at-

Foday, Harley-Davidson is back at the head of the pack and is used as an example share of the large-motorcycle market in the United States at the end of 1988, topping the Motorcycle Sales Division of American of a company that successfully fended off the Japanese. Harley held 46 percent of the Honda Motor Co. Inc.

Chevrolet ads say. We are the American Hay, the hot dop, everything," Renner "We are the heartheat of America, as the 500 also is due to the company itself, Reimer nese in the 1970s and early 1980s, Harley-Davidson began a three-phase propram to said. After losing market share to the Japaredeagn the bike, migrove its quality and

finding hikes for his customers.

"It is not easy," he said. "I spend a lot of time looking for motoreyeles and trying to trade with other dealers."

Renner said. Harley dealers in Germany and Australia also are scrounging for bikes. The demand problem is international,

And Harley-Davidson, which was been burned once by expanding too rapidly, is keeping production in check.

"This is a worldwide signation that has don't think demand could be satiated in never been seen before," Renner said. one year."



Harley-Davidson reclaims market share and image

Hogs in with 'in' crowd California's

Hill desiership since 1961

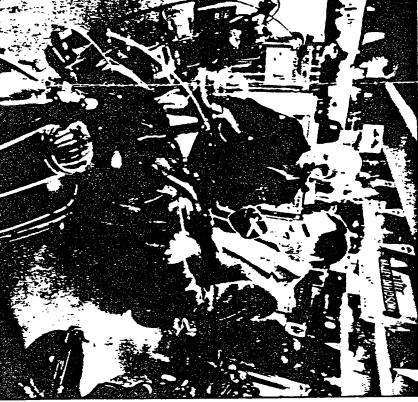
figures he's

Syl Goldberg bought from Chaney A medical center safety of-ficer at a Walnut Creek hospital and clannelist with the Contra Costa d passion for his hog. It's a great y to relax, he says

"Once they get on a Harley-Da-vidson, you can be pretty sure that

w customers come to Harley after rest of their motorcycle careet the on a flarley," says Chaney, hardcure Harley fans, every

California is high on the hog — Harley-Davidson hog that is.



accessories not cheap As with the big bikes,

Fashion stores offer biker-lock jackets reminiscent of Mar-lock Brando and James Dean mivies of three decades ago, but for the genuine Harley-Davidson mage, you won't pay department

For men, an authorized Har-ley leather jacket trimmed with zippers and fringe starts at about \$300. Matching leather chaps, and up. To finish up head official boots are as low

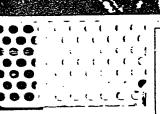
shout \$14,000 out the door. Add

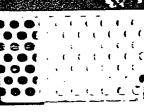
113.95 and a fringed sweatshirt man can opt for black I n jackets and pants at

iliver rose necidace can be had

hog toy is just \$22.95 Infant Harley kids can get a plastic lunchbox, with thermos bottle, costs \$9.95 and a stuffed Superand the custom Harley HO train

This year's timited edition na include orna 7, a \$22.95 tree







BILL CHANEY, left, checks out a Harley Davidson with toyal customer Syl Goldberg at Chaney's motorcycle dealership in Pleasant Hill

The cognac of bikes

special. A special sound, a special \$8,000 for his first Harley in 1982 Sheriff Warren Rupf, who paid "To those who appreciate it, it is gnac," says Contra Costa Assistant ference between brandy and cocan't articulate - it's like the dif-"There's something that perhaps

opted for a Harley after he realized that "real people, law-abiding people," rode the cycles long associated with outlaw biker gangs. Rupf, who had owned Hondas

"It has a very special mystique -I don't want to call it the bad guy

Kathryn Molling mage," says Harley spokeswoman

able motorcycle to these guys?" caption, "Would you sell an unreliad for the bikes shows a gang of tattooed toughs in T-shirts with the link and even pokes fun at it. One The company acknowledges that

and \$7,350 hidden in it. er cops. When narcotics officers ride Harleys, as do some undercov-Harley with two ounces of cocaine ago, in one bedroom they found raided a Brentwood house a year Groups like the Hell's Angels

is about 34 years old, male and has ers, Molling says. The typical owner about I percent of all Harley own-But "baddies" make up only

40 percent have white-collar jobs. a median annual income of \$38,400 Fifty-five percent are married and

sold to dealers, Molling says, That's down from the 50,000 sold in 1979 but is nonetheless "fantastic," she projected 45,000 units have all been 42,000 motorcycles and next year's last year, Harley sold about

ments in the 45-year-old engine degroup of company executives bought Harley in 1981 for \$60 milconglomerate AMF, production was lion as quality and design improve-Reputation and sales suffered. A increased at the expense of quality ny was owned by sporting goods in the late '70s, when the compa-

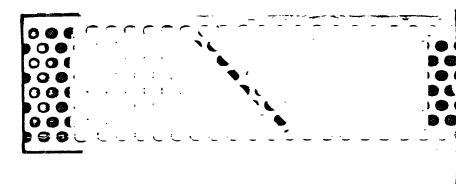
> country went into a recession sign were being made. Then the

sales fell 25 percent in 1982. work furce was cut by 40 percent. duction was slashed in half and the The company lost \$25 million as Pro.

Saved by Reagan

with engines larger than 7(x) cubic centimeters. Honda, Suzuki, Kawasaki and Yamaha were all selling Milwaukee-styled bikes. a tariff on imported motorcycles from extinction in 1983 by sticking President Reagan saved Harley

also rebuilt its share of the heavy. was its most profitable year ever. helped Harley battle back and 1987 The tariffs and improvements



at the motorcycle, originality. Looking nostalgia, the built by robots. . . . it's evident it's not They like the

time since 1980. ting it shead of Honda for the first in 1983 to 33 percent last year, weight bike market from 23 percent Accessories and trademark li-

censing also have helped the bottom tique," she says. "It's the only line, Molling says. American manufactured motorcy-"Of course we're marketing mys-

cle. Only Harley-Davidson offers 85

em California. rector of merchandising for the 20 season," adds Mary Hamilton, Emporium-Capwell stores in Northyears of tradition and history " the hottest selling item for the fall "The motorcycle jacket has been ۵.

coats emblazoned with Harley's barets with white T-shirts," Hamilton and-shield symbol. "Everyone on ets with loads of zippers and denim MTV is wearing black leather jack-The stores offer biker-style jack-

look that is both tough and soft, she ing the jackets with lace skirts for a Women aged 12 to 30 are wear-

The Nieman-Marcus Christmas

Bill Chaney, dealer in by selling an array of goodies like coffee makers that look like giant catalog offers a glitzy \$25,000 Haras well as genuine Harley leathers. and stuffed hogs in superhero suits oil cans, fringed leather halter tops The law and the stars

Harley dealers also are cashing

cycles are Harleys and next year's order for 184 bikes will probably go to Milwaukee, says CHP spokesman putting their money on Harleys again. The CHP stopped buying them in 1972, opting fur Japanesebegan underbidding the competi-tion. Today, 200 of the CHP's 350 Sam Haynes in Sacramento. built bikes until 1984, when Harley Even Highway Patrol officers are

Angeles street \$10,000 Heritage Softail on a Los Busey. Busey was seriously injured egger, Sylvester Stallone and Gary tors including Arnold Schwartzenare the rage among a group of aclast week when he dumped his In Southern California, Harleys

latest issue of Motorcyclist magastars in one piece, according to the clauses in contracts to producers are putting no-cycle strong that some music and movie The motorcycle trend is so Keep

Capitalist Tools, astride hogs. ner overseas, touring China and the Forbes has carried the Harley ban-Soviet Union with his crew, Billionaire publisher Malcolm

Mark: CERIS 2.

THE MILWAUKEE JOURNAL

Sunday, July 10, 1988 — Latest Edition

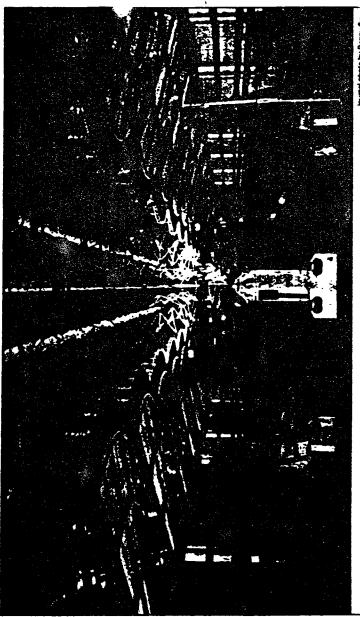
Starr awaits autopsy file

Cocaine trace in son

worst in Ozone

unhealthy conditions Drought, heat create

last decade



Lights, mirrors and neon tubes surround pedestrians at the new United Airlines terminal at O'Hare Airport in Chicago

Mitchell wins a few: O'Hare isn't always worth the trip

Mitchell vs. O'Hare: Which is less expensive?

DAVID BEINTENOT, Editorial Page Edito LUCIUS W. HEMAN, POUNDER 1862 HAMMY A GRANT, 1916-1969

Ahint of glasnost down Mexico way If they paid any attention at all to Wednesday's rendential Meetion in Mexico, most North Americands

case probably reacted with a yawn. To no omer comprises, the irror-fiscae party itset has ruled that committee the formal that has ruled that the "demon". And, as small, there were widespread if a of voting frand. So what's new? and a new is that the victory margin for the dominant listellational Revolutionary Party, or PRI, was orderedly much allmans than expected although efficial results aren't yet known. Opposition parties are at last a force to be recknowd with. sees is called apertura). That's something nort, it seems, has spread to Mexico (there, the

But like Soviet leader Mithall Cortacher, Mexi-leys reform-minded president-elect, Carlos Salinas Se Carthri; must figure out how to let democracy favour when an estimached, stullifying orthodoxy.

The ballot-box-stuffing that accompanied Salban-election is hardly researting. The PRI has such a shameful history of boying off or, suppressing its opposes that it is difficult to imagine the party making. a graceful transition to sharing power with its competitors on the left and the right. let the central PRI capable of reforming itself?

Still, the signals from Selless are encouraging. As a caseddets, he openly achnowledged the need for plenshem. And, so bedget and planning secretarder President Nignel do le Matrid. the minical economy. If Salinas continues that our -- Sementing government-owned industrial manufacture deten, diversifying parts and encountaing foreign investment -- bis and-trained economist pursued Mexico's ver-en of persotrolita, the metracturing of the statepountry may eventually be able to work itself our

of the severe extensing, crisis that began in 1961 when world oil prices took a nose dive. For its part, the United States has reason to cheer Mexican glassoot and perceitoilite, even to to may seem to many Americana, better to bet mosful change evolve at its own speed than to eddie in ways that might destablins a neighbor boleter the process here and there. But the US must let Mexico reform its creaky political and econom-ic system at a pace is tuse with that nation's own traditions and culture. Frustratingly slow as that r-American security. so critical to inte MOS BLEV SE

Above all, the US must recognize that unitatoral solutions to any problem affecting two such latter-dependent nations are decemed to fail.

For example, the US cannot realistically expect to control the flow of Hegal transferation from Maxico when 80% of this country's work force is without full-time employment. While encouraging Sallans to open up the economy further and control a burgeouing population, the US can and should do more to relieve Mexico of its \$103 billion foreign debt, which strangles growth and job creation. Among other things, Mexico's creditor banks in the US should be prodded to reduce their interestrates and structal out repayment schedules.

make a stronger push to control demand for drugs at home. At the same time the US about acknowl-dge what Mentico has done to stamp out heroin Moreover, If the US expects Mexico to get ougher on drug traffichers, this country mus

With a change in presidential besternisp in Mention, and change sees to come at the top in the US, maybe there's hope for a fresh approach to these and other common problems. While Mention pursees his brand of glamont, US-Mention relations could use a little persistralia.

Plant-closing bill shuts Republicans' options

True, the Democrate will exploit the larse either or majority, they will hearn't yet persed by a veto-proof a majority, they will sheembase the Republicans for blocking it. If it has peased, they will hall it as a persocratic victory for working people. Even it amporters of the measure are thwarted this year, they probably can provail by reintroducing the bill a them. It is keeping the larse hot as the Democratic Netional Convention approaches. Preddent Rangan unreaceably veined major frade legislation in May because it contained a provision requiring that workers be given 60 days botice of plant clothags. He made the veto stick but he may not be able to prevail in the end.

Now that Congress has turned the notice

requirement into a separate bill and Democrats are skillfully exploiting its political appeal, Republican leaders in the Seasts may be hard put to keep it from becoming law, Some GOP seastors, realizing that their party tooks bad opposing the humane From Decoming New, Some GOP seestors, realizing, that their party looks bad opposing the human members, are seeking ways to save it without appearing to rebuke the president. Of course,

SEC CROSE.ER, Editor STEFFEH HANNALV, Mamaging Editor HOWARD FRECH, Capturi, Memaging Editor BAFRARA, DEMBSKI, Asain har Mamaging Editor REM PREDER, Asainsin Mamaging Editor

Quest cartoon: Morth, Marris He

UW perks demand accountability

the University of Wisconskin System. But citizens may ask anyway whether an 'imperial presidency' is really necessary. Must public servants be pampered with opulent manalous, cars, expense accounts and the other plums detailed in stories State taxpeyers don't finance most of the plush perquisites being lavished on some top officials in last week by Journal reporter Richard P. Jones? It abouldn't be necessary, of course, Although

competently, sometimes with spectacular nuccess, eschewing heavy use of available parks.

Yet, given the distortions in Migher education in the practice goes back many decades, there are and have been university officials with self-exteem healthy enough not to need such adornments of power. These people have just done their jobs

necessary nonetheless. The salaries that Wisconsin pays may not alone be enough to attract and retain the kind of education executive needed today as chief of a complex campus, let alone as manager of a system of such universities. America, the offering of such things at UW may be

Although UW President Kenneth Shaw is paid \$108,396 a year, that's the lowest salary among presidents of seven comparable university systems elsewhere - for example, in the Florida State University System, where presidential "fringes" across the country. Even the perks are better include a new Pontiac every three months from a local auto desier

In a society that cites "market forces" to justify

Under the circumstances, Republicans who find the measure acceptable should have no reluctance to vote for it. Out of loyalty to Reagan, some voted

after Reagan leaves office.

pursuing top-of-the-line presidents and chan

with university big shots. Inviting wealthy alumal influential politicians and other prominent visitors to semptious branches before Badger football games, for example, is not just a pleasant partim for university officials arguebty, it is as important part of building the broad support needed the maintain the UW as a world-class institution. Sed to say, some potential big donors expect to be treated like potentiates; likewise for some of the er: the pretendons of people who want to hobnob There's another dimension to this issue, howevpoliticians who hold the UW purse strings.

Pardon us if we sound too cynical, but there's no tion being created now from scratch, probably much would be done differently. But the salary-perk game is running rampant across the country and it isn't going to quit soon. The best Wisconside point in being naive. Were American higher educa differences can expect - what they must demand is total openness and accountability.

spent only in accord with regent guidelines, goals and priorities. Can the regents say for sure that's Every dollar taxed for, earned by or donated to Every dollar abould therefore be accounted for and the UW becomes, by definition, public money being done? We doubt it.

JOURNAL VIEWS

Harley-Davidson 85th birthday party succeeded on all fronts

Visitors voice pleasure, praise

As I of the my beams in Philipers, is, the measurement of the Jene 16 selected remain from its my mind.

It jo Jenet for me to express my

I year in a lang overlanting.
You amy my hardened and I partiepassed "In the Harley-Davidson abrace each and every one

itrangers -- even lavesders -- la Elivendes, we were welcomed ever

help ruse denations for the Muscular Dystrephy Association. Many of the

riders also had appearent. The journey had its purpose, and at its end were the greatest individuals, with the warment hearts that we have ever

Though out, apparament were it, sensitions threatment, we were sensit and cherrel from the bids of continues out residude.

123

Native nets fun nails paper

My bushead and I drove down to incudes to attend a wedding. We from a feetbridge as the beard about the Harley 60th bosso

alkars were terriffe. They waved to

gen. It was worth \$14 but to mingle with the biliars and store at all the blart hether and frince. We also week to the Lakefront to sees as many Harley-begoln my Mil

'7, but I'm coming down if you all come back. I wouldn't mine it for the world?

e way, the Journal artists by

Fault found with fine article

Afore in

telephone number. Send them to: Letiens to the Editor, The Milmaukee

ty. We makes you, and may God bless all. Daytone Beach has got a let to yes, tool
JEERY AND DEDBUT PARSONS And to The Journal: Your Bunday with-up was excellent. A big long for Ferborn, Onlo

telerant of all us granters. We were

THE N TO fer the 10th analyses

This is not intended to district forecoming and the fund-raising sylinder, water-cooled segme, efforts for MDA. You, Harley, statute is not intended to the payden over the second of the sec rideon was referred to as the only hand and the sport of at

The sea the cost of the cost o

The Journal welcomes views on current leause, Letters and in Myc What do you think? Readers views and opinions

MARILYN POTH

I am constantly amazed of the Book RR1000 uses a Harley ougher, I contradictions and knocurracies thater, would point out that Broll also ad-racing mechine that uses a four of the same and owner the rights to

effective to America America does have two rep

The Harley-Devidson FLHT-C, 85th Anniversary Limited-edition motorcycle

She shares pride in product, people

metry, and from Canada gather in one place to behave the SRA birthday of the only Americanas as metacrycle. Of course I'm referring to the mry-Devideon Hemocomials held June 18.

My ded has worked for Haritey for as long as I've as secured (almost 21 years), so I've grown up with It is truly a unique experience when men, women and children from all over the country, and from Canada gather in one place to

After the remion, I know that feeling is shared by ext-thousands of people. I'm not referring just to the this bitters who rode across the country to the as 1-94 overpass in the earth

esten, and were only a sprinkle of the se vestical and verve as the correc-ment. It gave no a warm feeling know-ple seek time out of their Seturiny be rrest influent view of who Harley riders are and res they act. People have starsotyped them as

poople, young prople riding and think, "They must not be so bed after all."

The feativities at the Sammerfest grounds were well-organized; people were friendly and well-be-haved. Even though I want's wenting the "typical" black Harley T-shirt, ilke many, I didn't feel out of

bemecoming, many thought I was crazy. They thought it was going to be one big gang fight. I was happy to reed in the Sunday Journal that there were Of the people who knew I was going to the

What my friends, and many others, may not have realized is that there really is no need for bikers to

fight any more than any other group.

Not only were the bikers celebrating Harley's birthety, but they also were raising funds to fight musicular systrophy,

e souring the Harley pleast, one man said; sure known how to throw a party." hould be prosed of the image it promoted

18 was a day I was extremely proud of the people in Milweakee and their bospitality.

P.S. Dad, about that motorcycle for graduation.

a call for farm aid"

lis. It is hard to believe that with all the fund raiding and beckers for

metves. Where is the help! Why mut the not imagentify find a septiment of them can be used and find up! Surely, the ja, very anali request for the non.

With all the big business specificate players, there must be some porta players, there must be some not incre with a heart to help.

This will be a horrible loss for all of us if that family of wolves is yet

PATTRICIA COND

Wolves are not people of onty

allowed to stay to the place the

are enthalized. I don't think his one-acterior or the conscience of Mil-washes County officials, who would be held accountable, would be some-thing any of se would wash. tion that would

silded if the wolves ar

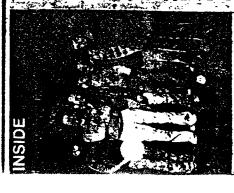
It's too had these wolves misres have their name attached 10 th moos rocks.

Mark: VESUS HOLY DIVINISON

THE WILWACKER JOURNAL

The state of the state of the state of Edition .

rade deficit shows big decline



Deadheads

Valley Music Theater provide one of the best opportunities for Deadheade The most manic Grateful Dead fans toflow the bend from city to city. The band's coming concerts at Alpina gather, camp and just hang out for week with 30,000 of their closes

The tobacco industry is unlikely to experience significant new legal or business difficulties because of a judgment inding the Liggert Group liable in the death of a smoker,

Looking for leads

Sports, 1C returned it to respectability

trailed that elegishers in the Rust Belt in this tiret quental of 1988.

The investigation in the sleying of 14-pear-old Taxa Kassens last summer was proceeding Tuesday in Masse-chusetts and Appleton. Meter, 18

Course up to par

Long overdue repairs at once-re-rigimmed Brown Deer golf course have

chief of staff

as Reagan's

spot on GOP ticket possible

Cites illness of relatives;

Some slippage

Entrepreneural activity in Wisconain

The buying wave pushed the dollar up sharply against key foreign currencies,

Washington, D. ... A.... The US tries wrenched down littered rates in the boad in the sancant in the boad birds showed by SA... A. ... A. ... A. ... The US tries market and gave of "early book to Wall market. The long-term boads" yield, which several tweet days booked 1964, the given. Street, where stock prices had prices and surversely to price and se in important inversely to price and se in important frameway. The Campaigner of the contract of the contrac

Drop in imports eases fears of new round of inflation

surpries," said Martin Mastry, as economist at Marrill Lynch & Co. in New York. "Our call was for a \$12 billion deficit, and I think we were one of the lew case." "I think this one steaght everyone by the impacts helped push that deficit the impacts helped push the deficit 18.5% from the revised March

Many snatywn had feared that the deficit ould widom in April, so the report aboving actually shrunk to its lowest level since late

1964 seat lavestors scrambling to buy dollars

In the currency markets, the dollar planted merty 1 yes to 128 yes and 2 plenting to 1.74 West German marks. The frittle pound dropped from \$1.81 to \$1.74.

The government report said that Americans apports for imports declined by 6.4%, to 6.4%, billion in April. Exports were also down, but by a smaller 2.5% to 6.2%, 2 billion.

The trade number reflected a aguificant drop is imports, dampening fears of inflation and higher thiers, especially is the

birty-year Greatery bonds pumped nearty

The trade deficit is the difference between imports and exports.

first single-digit trade destict since a \$8.90 billion imbalance in August 1985, it was the lowest imbalance since an \$8.03 billion defi-The improvement gave the country cit in December 1984

The March deflict was originally reported as a single-digit figure as well at \$9.7 billion, but that was before the department began adjusting to take into account seasonal factors. After those adjustments, the March deflict grew to \$11.70 billion.

Please see Trade, Page 5A

Cigaret makers suffer only a glancing blow

second-best outcome for the hedestry, short of victory. The hyp accentual Liggest and the other defendants, Lorliard and Philip Morris, of conspiring to misteed the public about the dangers of smoking.

The three tobacco companies called the verdict a victory and the jury's award a vote of sympathy for the husband of the deceased.

The jury decided that Liggett failed to warn about the dangers of eighrets and violated its promise, or "axpress varranty, to produce a safe product. A federal jury in Newark, N.J., on Monday awarded 8400,000 in damages to Antonio Cipolloon, 64, the busband of Rose Cipolloon, 68, the amoker who died of bung cancer in 1964 at the age of 68. She had smoked a pack and a bail of algurets a day for 40 years.

In an apparent anomaly, however, the jury awarded zero damages to Mrs. Cipolloos for her pain and suffering, and made the award instead to ber husband.

The decision was viewed by several analysts as the

It awarded Chollons damages on the warranty claim but not for the failure to warn the public because it found that his wile was 80% responsible for contracting the disease that killed ber.

Liggett faced additional charges because it massifactured the Chesterfelds and LEMs that Mrt. Cholione smoked before 1966, when Congress ordered health warnings on cigaret pecks. Mrs. Cipolione later used brands by Lorlliury removed in 1981.

Liggett attorneys promised an appeal. Cipollone's lawyers said they would ask the judge to overturn the decision not to award poethumous damages to Mrs. Cipolione. One Wall Street analyst said: "I haven't spokes to that many people who feel that this decision is really teerible for the industry. The verdict is much too limited."

Please see Verdict, Page 6A

Toyota's takers meet their match

Baker to quit



EXHIBIT

juggling, noon Wednesday, Peck Pertion, PAC. huly Plemarkable Loon, comedy and

Walte House

WEATHER

Mercelane area forecasts from National Weather Service Tonight -- Far and mid.

contra scandal.

2 2 High Mechaniday Mechaniday right s ton 8 S add - B

Wednesday - Breezy and hot A 30% chance of afternoon showers. Details on Page 58

fugh and dry Farmers left may sell out

By ELIZABETH CULOTTA

Agriculture officials have spotted signs that Wiscount's protonged dry spell may case some farment to talant enfough about selling out. The lack of rain has caused a wolding market is farm prices, and farment are often caught is the middle.

declines, food prices may rise as production decreases or fewer farms control crops, as agricultural specialist and Theoday. Also, a serious decline in the number of farmers could change the face of Wiscomin agriculture, which has traditionally been based on a large sumber of seasal farms. Max Horwadch and if the number of Wisconsta farmers

It "I depends on the rain, and metaorotogar it only thance of eartherd rainfall,
alak the aign of the times has happened: They suctioned cattle off recently and
the price was \$800." said Horwatich, who is
Waskesia. County sarcutive director of the
State Agriculture Stabilization and Comerveton Service. Earlief this year the price for a
detry conv was \$1,700, he said.

buying [cattle] because they don't have any-thing to feed them, Horwatich said. "We think some farmers may try to hang on until That means farmers aren't interested in the fall and then sell out

BY JIM STINGL of The Journal stuff

> At the same time dairy farmers find their forthe crops wanting because of the dry heat, the cost of grain they need as a substitute has rises greatly

Davidoon motorcycle owner turn misty.

That may belp explain why thousands of people who own and love Harley-Davidson

motorcycles are at this moment rumbling toward Milwaukee, to where it all began 83 years ago for the only motorcycle produced harder loday. And, as far as the faithful are omostraed, the only true motorcycle pro-

The company is estimating that 30,000 to

duced anywhere.

Wiscousin outs that went for about \$1.33 on May 2 were selling for \$2.25 to \$2.32 Monday, said Rick Tanger, a market news reporter at the State Department of Agricul-

Please see Crope, Page 7A



Journal photo by Tom Lynn Wayne Wiertzema stood by his car Monday with the bat he used to hold two car theft suspects

Victim had car thieves' number

By MEG KISSINGER

of The Journal staff

Two would-be car theive cooled their beels in the Milwau-kee City Jail Ynesday, ruing the day they tried to pull a fast one on Wayne Wierzena.

By day, Wierzena. 26, of Milwaukee, is an insurance salesman. By pight, he folis crime.

When his beloved Toyou was stoken, Wierzena called police—then went out and found the thievee himself.

Let's start at the beginning.

George Bush, Baker's resignation caught Washington by House Republican Leader Robert Michel of Illinois said that Beker attended a meeting of GOP congressional leaders with Reagan on Tweeday and did not mention his intent to redgn. "This bits me like a coid tewel," Michel Pitzweier said the chief reason for Baker's esperture was the bealth of his wife and his

When Wiertzema, proud owner of a 1987 Toyota Supra, went into the SuperAmerica gas action at 8431 W. Appieton Ave. last Priday night to pay for the tank of gas he'd just pumped, two thieves jumped into the car and took off.

only had the car for one month," he said. Heartbrokes, he called police.

Later that alght, alone in his apartment and feeling cruabed, Wiertzems wowed to find his car. "I love that car," he said. He culled the number to the cellular telephone in his stolen.

car and detarmined that someone was in the car, driving it served but not asswering the phone. Had no one been in the car, as operator would have answered.

His write, Joy, was hospitalized to Kaox-ville for a back aliment, and his elderty stepmother, Irene, also was hospitalized recently for stormach pains.

Please see Baker, Page 7A

"It was so frustrating to know that someone was in my car' driving around," he said.

He called for hours, but the phone would just ring and ring Wiertzema grew angrier and angrier.

Once someone anawered the phone and Wiertzema could hear his car stereo playing in the background. But the person on

the other and would not speak.
"That was the worst," featid.
He kept on hoping, but in the back of his mind, Wiertzema doubted he'd ever see his car again. Late the next evening, the big break came.

Saturday evening, Wiertzems got a call from a woman who said she had found some softball equipment and two briefcases with his name on them. The belongings had been in the car when it was stolen.

The woman, who lives in an apartment in the 5200 block of N. Lovers Lane Rd., she said she had noticed two men driving a powder blue 1987 Toyota Supra. Wiertzema wanted justice. He wanted his car.

His cousin and his cousin's flancee by his side, Wiertzema drove to the apertment complex, yowing to stake out the joint Please see Theft, Page 12A

Hog heaven: Harley riders will converge here Saturday

40,000 biters from throughout America and Canada will above up at the Summerfeet grounds Saturday for The Homecoming: The 1969 Milwaukee Ride for the Muscular Dystrophy Association. It's been said that just having a beer with someone from Milwaukee sometimes is enough to make the eyes of a Harley-

"It's like Christians taking a trip to Bethie-bern. It's rether like a religious thing," said Paul Kegel, 41, owner of Milwaukse Harley-Davidsoo, a desierahlp at 6312 W. Pond du

Kegel and others describe a sense of brotherhood among riders, a count; oneness between rider and blke, and a feeling among people who own Harley-Davidson motorcy-cles that Milwaukee is their second borne.

You unbellevers and sedan operators are

invited to the birthday bash, too, said Kathrym Molling, manager of public affairs for Harley-Davidson.

Each rider and passenger making the trip to Milwaukee has been asked to denate \$10 toward his fight against muscular dystrophy. The donation piedge will pay for admission. Otherwise, the price at the gate is \$14. In return for the piedge or the ticket, partici-"You don't have to be a motorcycle rider to come down and join the event," she said.

be provided on three stages at the Summer-fest grounds by the Charlie Daniels Band, Bachman-Turner Overdrive, Leon Russell, panis get a party.
Beginning at 2 p.m. Saturday, music will

Edgar Winter, Waylon Jennings, the Boose Brothers, the Phil Delta Band and LeRoy Airmaster.

But the real show, out in the parking lot, will be the rows and rows of Harisy-David-sons, huge machines known lovingly by their sons, huge machines known lovingly by their owners as hogs and low riders, softialis and

Milwaukee from And the heather-clad And the show will be the leather-clad owners: business executives and destifrations: benkers and factory workers, famous movie stars and, yes, a few outlaw types.

THIOSE people are only 1%, of our riders. Molling salu. "Our riders rus the socio-economic ganus."

Please see Harleys, Page 12A

Harleys

From Page 1A

on Friday, picking up many others in clies and towns along the way. Slace then, the hum has grown louder as bikers raised their kickstands and rolled out of Lue Angeles, San Antono, Orlando, Kitty Hawk, M.C. Washington, D.C. Augusta, Malae and from Vancouver, Edmonton and Montreal is Canada. The first riders left San Francisco

Company executives, including President-Chief Operaing Officer Chief Executive Officer Voughn Milyaukes.

On Saturday, the hum of the hoga ome a roar. Two rendezvous ar Milwaukes have been des-

ignated for the convergence. Riders coming from the west will gather at Waukeshe County Tevenical College in Pewaukee, and those coming from the east will meet at Kenosha Air-

divided into manageable groups of 50 to 75 bikes each for the final ride to downtown along interstate 94 from both the south and west. About noon Saturday, they will be

Police officers, sheriff's deputies and state patrol officers all say they plan to keep a low profile and assist needed with traffic control. If ape need to be closed because of seetlon, they will be, and traffic if be sent to exits up ahead, will be sent authorities said.

Authorities have been meeting with organizers of the event from Harley-Davidson and are expecting Authorities have been

no problems with the bikers them

featival there, said Metropolitan Bursau Capt. William Gleiow. Traffic control outside will be provided by motorcycle officers — on Harleys, of course. Milwaukee pelice will assign the same number of officers inside the Summerfeet grounds as for any other

"I wouldn't wast to send them sown there riding Hondas. Some of the Harley people wouldn't like that," Glelow said.

and botel room is the Milwaukes aren was booked for Priday and Sat-urday algids, many by the motorry-cle travelers. Campgrounds in the area also are expected to be popular resting spots.

Manchester Settes, 11777 W. Sit-Molling said every single mosei

Harley-Davidson engles and trans-mission pient," has many riders booked, said manager Susan Stattery. ver Spring Dr. listed in the guide to

Harley-Davidaon is a valued cor-porate account, she said, and she has no worries about the people who will be arriving this weekend. "I'm more worried about their bikes in the parking lot and someone coming and vandalizing them," abe

Some celebrity riders are expect-ed in Milwaukes for the birthday

ed in Milwatuse for the buriday party, but company officials are not naming names. Harley dealer Kegel said he knew one for gent.

'Sylventer Stations in Pytag in at noon Seturday to pick up a softail springer. If it the newest Harley that's out. Kegel said.

izems and others sprang into action. "My feet were going up and down, Wiertzems said." My heart

What did he say to the men in his Was pounding.

The antitely you," said Wierzema.

Left just say it wantit intended
for young ears, but it was effective.

"One of the guys was so seared he started crying for his mother," Wierteems said.

The police arrived within two minutes and arrested the two men, ages 20 and 22. Happily reunited with his car, Wiertzems drove to the office Monday, he a little rattled by the wild weekend, the car a bit denied and

"Not to worry," Wiertzema, the inaurance man, assured. "I'm fully covered, no deductible."

heft

until the culprits arrived. From Page 1A

"It was really scary," said Dawn De Boor, 23, the fiance of Wiertze-ma's courin. "It was kind of like a Starsky and Hutch episode."

Arraed with basebail bata, the three waited in a cir.

"I fell axieop a few times." De Boer said. "But it was scary.

The police, alericed about of time, were in the area waiting for Werze.

The to call them on a special dispatch who found the briefcases and softball equipment was locking out her window, pussed to call the politics the minute the suspects arrived. Bumber Te

About 3:55 a.m. Sunday, the Toy-ote pulled into the parking lot. Wier-

And Build A Dream House. and Daytona Beach.

coast, Florida is pail-and-From coast-to-coast-toshovel country Every golden at its finest

And Bring Your Mom And Dad

to Florida, toa These special price, they can come down For a super-low MaxSaver MaxSavers-to-Florida are

through Septemgood for travel



VOLUMES, NUMBER 36

Mitchell Street attracts new retail lineur

Off-price stores could bring new life to former Gimbels, J.C. Penney building

By DAVE LAWDER

The West Mitchell Street shopping dis trict, battered for nearly a decade with store closings by national and regional retailers, is once again drawing interest from major retail chains.

In the biggest new development, Milwaukee's Towne Realty Inc. plans to convert the former Gimbels store at 1030 W; Mischell St. into a mini-mall housing several off-price retailers, including an outlet of Warehouse Shoes.

"We anticipate for the first time in a decade that the building will be fully utilized," said Michael Mervis, a spokeman for Towne Realty, 710 N. Plankinton Ave. This is the first time we've felt good about the long term future of the building and it the neighborhood."

The Clothing Loft, as existing term the Grabels building, will expand to 9,700

Outlet World, an off-price retailer flat closed March 31, as the anchor tenant, said Marrie.

The clothing retailer will take the ground floor along with Warehouse Shoes, which will occupy 4,000 square feet, Mervis said. Other tenants lined up for the building to be renamed Mitchell Street Mail chide Smoker Etc., a 1,000-square-foot pipe and tobacco shop, and Coraucopth, a 500 square-foot sandwich shop.

Meanwhile, Charlotte, N.C.-based Park-

by Dollar Stores Inc. has bessed 6,000 square feet in the former J.C. Penney store building at 1115 W. Mitchell St., according to Kevin Soucie, president of the Greater Mitchell Street Association.

Over the years, the West Machel Su-pognition to the sent make of his pro-michant close, including Chinbell, Sen

e feet in the building. It will replace I.C. Penney and The Grand Morey dition, Goldmann's Dept fixture on the street for 80 ye sale, leaving its future in the

Mervis said Towne Really ich have discovered an increas the part of off-price chain areas like West Mitchell Sire Towne Realty officials hope that

Towne Realty officials loop that sales will finally translate into a payof as bompany's investment is the Lymbo building, which the real casts Tim bost when the department faller was diversible. Under Towne Realty Jan. 1984. Under Towne Realty Jan. 1985, and ground floor, basement and because it is made to receive the payof the first payof the first payof the payo

first quarter, which lended March 27 ame period a year ago, not incom \$5,25 million. Revenue for the quarter was \$173.38 million, compared with \$162.37 million in 1987.

The turnaround at Harley-Davidson comes just a few years after the company testered on the brink of bankruptcy and Please turn to page 27

By JON CONNOLE Harley-Davidson Inc. s legendary hoge" have connected the U.S. ma large motorcycles, \$1,75% and \$2.5%

In the first quarter of 1988, Harley Del idean sold more large motorycles with character displacements of m less cubic tentimeters — is the United States than all of its competitors combined. Its fact, the Milwankee-based manufacturer's market share in the large-motorcycle category was more than double that of its closest rival, the Motorcycle Sales Division of American Honda Motor Co. Inc. In 1983, the situation was reversed.

Harley-Davidson accounted for 50 percent of all large motorcycles sold at the retail level in the United States in the first quarter of 1988, according to data com-

stood at 29 A percent, according to Political Man. However, House continues so be the best-selling importer of large motorcycles to the United States. Kawasaki Motors Corp. U.S.A. had a 10.3 percent there of

the U.S. market in the first quarter, followed by Yamaha Motor Corp. U.S.A., with \$.8 percent, and U.S. Suzuki Motor Corp., with 6.6 percent. If Honda finishes 1988 with only 22 percent of the market for large motorcycles, it

will be the worst year for the company in piled by R.L. Polk & Co., a Detroit mar-For some, selling safe sex is serious business

But it's hard not to chuckle at Fortune-Cookie Condoms

By CHRIS FORAN

For some Wisconsin entrepreneurs, safe sex apbears to be worth the risk.

Anxiety about the threat of acquired immune deficiency syndrome has spurred the formation of a handful of companies that sell everything from condom-carrying key chains to Fortune-Cookie Condone

Local firms, like Milwaukee-based SafeMate Products Inc., are trying to promote condoms as the best protection against sexually transmitted dissee, by marketing condom-related products such pociei condom carriers.

While most people agree that AIDS represents a for bealth danger, not everyone is willing to take rafe-sex business seriously, according to Jerry endelsohn, a sales representative for SafeMate, OW. Flagg St.

Please turn to page 25



ned a variety of new products from local firms, is The popularity of "sale sex" has sp

Harley-Davidson outpaces competitors with sales of 'hogs'

had to ask Congress for special tariffs to be imposed on imports - which have since been lifted - to protect it from Honda and other foreign motorcycle manufactulers. Some industry analysts suggest that the tariffs were approved because Harley-Davidson is the last large U.S. motorcycle manu-

Ironically, Harley-Davidson orchestrated its recovery with the help of its foreign rivals: It adopted Japanese methods, including just-in-time manufacturing, redesigned most of its motorcycle parts and produced a better quality product.

"You can look at a picture of a Harley from the 1940s or '50s and compare it to a Harley of the '80s, and it would be hard to tell the difference if you're not a motorcycle enthusiast," said Frank Cimermancic, director of business planning for Harley-Davidson.

"If you know Harleys, you can tell the difference," added Jerry Wifte, vice president of marketing. "In 1984, we evaluated the whole engine. And we've redesigned it in the last few years, but we've kept the stvling.

"I don't want to gloaf, but we were down so low and now we're at the other Wilke said. "This is a lot more fun."

Honda corporate officials didn't want to talk about Harley-Davidson; bot Densis, Kanegat, an account electricity with Dalley & Associates, Honda's Low Kingles adver-

A Associates, Honda's Los Ainfeles here's the not as profitable, tissing agency, and Hartery Danidson motors and the year of the year of the profit is also improved its over image?

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However, Harley-Davidson's recent success is causing problems: The company can't make riding machines fast enough to meet growing demand.

"We have consciously left money on the table so we don't sacrifice quality," Wilke

Added Cimermancie: "We've actually turned down orders. Our dealers some times begin to complain, but then we say: 'Hey wait a minute. You want us to go back to the way things were in the 1970s?", And they say: 'Oh yeah, that's right.'"

In 1979, Harley-Davidson made an average of 252 motorcycles a day. In 1988, the company is making about 210 motorcycles a day, Cimermancic said.

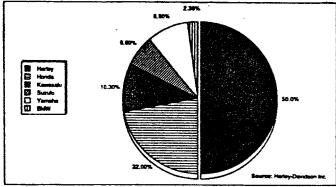
Our biggest problem now is getting production up to what we can sell," Wilke said

But he added that Harley-Davidson will increase production only in modest incre-

Harley-Davidson has no plans to take on its Japanese competitors in the small-motorcycle categories, Cimermancic said. The Milwaukee company makes just three sizes of motorcycles: those with engine displacements of 883, 1,200 and 1,340 cubic centi-

"There's a perception that if you cut the size down from 1,200 to 650 that you cut your price in half, too," Cimer mancic said. But your costs do not get out in half, and ice not as profitable.

851cc and larger motorcycle market share



variations in styling."
Added Wilke: "We think there's a market out there for smaller Harleys, but we just don't see entering that segment now."

The stripped down 883 Harley Sportster sells at the retail level for \$3,995, Wilke said. That's as inexpensive as a Harley-Davidson motorcycle comes. Many other Harley-Davidson cycles, however, sell for \$10,000 or more.

The high price tag is one reason that Harier-Davidson had to make better motercycles. Wilke said, adding that comfort

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Their you play the price column pame was a big concern.

Their you play the price is much as possible and make a \$10,000 to \$11,000 purchase by that's playing the lapaness game, and himself, so we've spent a lot of time imprete poi going in dorthar.

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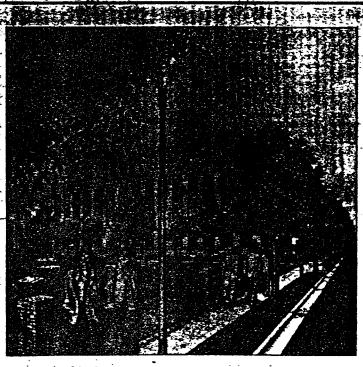
have a motorcycle. People have to have a car, but buying a motorcycle is not like food and shelter.

Lately, stock market analysts have begun to notice Harley-Davidson.

"They've been gaining market share now for three or four years, primarily because the quality of the product is back and peo-ple are recognizing that," said Timothy Reiland, a partner in the Milwaukee securities firm of Cleary Gull Reiland McDevitt & Collopy Inc.

"The currency situation it also beginning to help them to some extent," Reiland added. "Honda, Kawasaki and the others have finally started raising their prices, which means a Harley isn't that much more expensive than a Japanese motorcycle. That's helping Harley gain market share

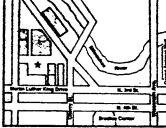
"Could they go to 60 percent? I guess so. Could they go to 70 percent? I doubt is."



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bemocratic Representative, 13th California longressional District; chairman of the

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ones commercial aviation inspectors, 1000 new airraffic controllers and 1,000 more maintenance peoples

dent, Aircraft Owners and Pliots Association

Seas for Wendell Ford, Democrat of Kentucky, Introduced a bill to take the Federal Aviation Administra"seat of the Department of Transportation. I think
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modernize the system. Even though the money is in a
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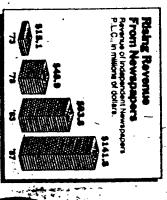
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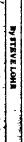
Business



Sunday, May 8, 1988

Publisher and In Ireland, Tony O'Reilly Astride Two Worlds At Heinz, a

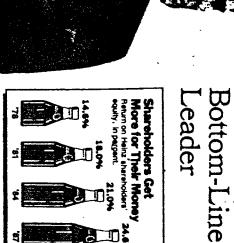




T dust, Anthony O'Reilly is stroking the grounds of his Set-screenses, Carlierians in, surveying with antisfaction his breading cattle, his recembers and his lithousaway

A quarter-colle away on the estate is a re-stored 1490 church. The painstaking renquestion of the old chapet, once a troofless ruin, took a rcheologists and craftemen three years to com-plets. "We bought Castlementin 16 years ago and essentially rebuilt it," Mr. O'Reilly said. "It He pauses to stroke a favorite mare and then begins a knowledgeable discourse on horse breeding. A few weeks ago, he says proudly, he sold a horse to Princess Arms, the British royal family's most accompliabed equestrian. the time and money."

This is the Irian side of Tony O'Reilly —
chairman of the Pirisburgh-based H. J. Heins
Company, multimilionaire and Ireland's most
successful experient. A levish country homestead and a stud farm are the symbolic posses-



By CLAUDIA H. DEUTSCH

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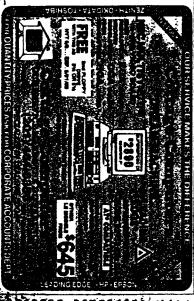
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Harley Hogs

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The Times welcomes letters from freuders. Letters for publication should include the writer's name, of dress and letephone number, Letters should be addressed to The Editor, Sandoy Bishess Section, The New York Times, 25 West 45d Street, New York, N.Y. 1005d. We regret that be-

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The Return of the Harley Hog Promises the Candidates Can Reep My Aching Back: How One Writer Got Relief

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Milwaukee Iron

On Saturday, June 18, thousands of motorcycle riders will converge on Henry W. Maier Festival Park — that's the Summerfest grounds to you and me — for one of the biggest biker convocations in the country. But however one might cringe at the thought of having our shoreline overrum by bikers clad in black leather, there's no doubt that it means good things for Milwaukee

That's because they'll all be riding Harley-Davidsons. And what they'll be celebrating is the 85th anniversary of Milwaukee's own Harley-Davidson motorcycle manufacturing empire — an empire that seemed destined to crumble just a few short years ago.

Harley is just one of the American companies that has taken a beating

from foreign competition. In the early '80s, a Harley "Hog" was just no match for all those cycle brands that end in vowels—Honda, Kawasaki and Yamaha, to name just a few. By 1982, Harley production plants were working at half-speed and workers were being laid off in droves. It looked as if the legacy of America's only motorcycle manufacturer—which began in a wooden shed off Highland Boulevard in 1903—was fading

Luckily, the story didn't end there. By 1986, Harley had reversed its fortunes: It surpassed Honda's sales in the heavyweight cycle market. By 1988, for the first time in the company's history, it had earned a spot among the Fortune 500. And, perhaps most surprising of all to a nation accus-

tomed to Chrysler-style, multi-million dollar bail-outs, Harley became the first company in the nation ever to ask the federal government to *repeal* a protective tariff that had been enacted for its benefit.

In "High Times at Hog Heaven," freelance writer Perry Lamek chronicles the Harley turnaround through the eyes of Willie G. Davidson, the bearded, motorcycle-riding Harley executive who has emerged over the years as a sort of folk hero to a nation of cycle enthusiasts. To be sure, the Harley aura — gears and grease and black leather jackets — may not be the one Milwaukee had in mind when it began to think about retooling its image, but if ever there was a potent symbol of Milwaukee's renaissance, the Harley story is it.

As for Milwaukee's other attributes, I can only call your attention to the "City Quiz" on page 40. For all those native and transplanted Milwaukeeans who thought they knew everything there was to know about Milwaukee (and Wisconsin), we offer this 90-question challenge. Our editors culled newspapers and history books, badgered local and national government agencies and haunted the Milwaukee Public Library in search of the answers. How much would a \$400,000 house in San Francisco cost in Milwaukee? What famous products were invented here? How many sunny days can you expect in the city this year? And what, once and for all, does the little flame on top of the gas building really mean? Sharpen your pencil and get started. If you've been reading this column carefully, you already have a few clues.

Julith wordh.

Judith Woodburn Editor





very day as a kid, he would watch his father dress impeccably in a conservative, customtailored business suit, then drive off to work on the coolest Harley Hog in town. God knows there was never any doubt about where William "Willie G." Davidson eventually would earn his living. Or, for that matter, how he would get there in the morning.

"I've always had vehicle-itis," he says. "I guess I was born with gas and oil in my veins."

The first thing you have to understand about Harley-Davidson is that it's more than just a motorcycle — more than the sum of its famous "Fat Bobs" and "21s" and 45-degree, aircooled v-twins. "More than a machine" was the advertising slogan a few years back. And it's really true. Harley never has been a mere means of transportation, like Honda or Yamaha or even BSA and BMW. Not a chance. Harley is an attitude, a calling . . .

"It's a lifestyle," proclaims Willie G., grandson of William A. Davidson, one of the firm's four founders, and son of William H., the company's president from 1942 until 1971.

"Really, what Harley is . . . is an all-encompassing, all-American way of life. The whole bag,"

It's Monday, and Willie G. is riding high. There's just been an announcement that, for the first time in its long history, Harley-Davidson is listed among the nation's Fortune 500, at number 398. Finally, after teetering on the brink of financial disaster in the early '80s, America's only motorcycle manufacturer is at last relatively secure. With 1987 net sales of

\$685.4 million, up almost \$400 million from 1986, and a net profit of \$21.2 million, representing a 336 percent increase over the previous year, it's definitely high times at Hog Heaven.

Willie G. has just returned from Cycle Week in Daytona Beach, Florida, and in another few weeks, he and his wife, Nancy, will hop aboard a special edition FLHTC Classic and point it toward Los Angeles, where they'll meet up with friends and fellow riders like actor Dan Aykroyd and singer Billy Idol, then turn around and lead a caravan of 2,000 West Coast Harley aficionados back halfway across the country for his company's gala 85th anniversary celebration at Milwaukee's Summerfest grounds on Saturday, June 18.

The goal, he says, is to raise a million dollars for Muscular Dystrophy, and Willie is clearly confident. Why not? Everything seems to be going right these days for Harley-Davidson.

"We've really exploded!" exclaims the 54-year-old industrial designer. "It's like mother-

hood, apple pie and the Fourth of July."

Willie, gee! Whether it's amid a hundred thousand sun-crazed bikers on the beach at Daytona or in a much-publicized fundraising convoy rolling cross-country to help rededicate the Statue of Liberty, it's always Willie G., with his beard and black leathers, at the head of the pack.

Officially, he is vice president/styling, the seventh name on the motorcycle division's list

of executive officers. But to the faithful, he is more. To a devoted and ever-expanding international subculture, he is the Harley legacy, the spiritual leader. While corporate heroes such as Chief Executive Officer Vaughn L. Beals Jr. and motorcycle division president Richard F. Teerlink may well be most responsible for the company's dramatic fiscal resurrection, there's still just one (unintentional) folk hero who stands alone as the living embodiment of the tenacious Harley creed. And he's known simply as Willie G.

"Welcome to mecca," he says, in the visitor's lobby of the company's ancient Juneau Avenue stronghold. "This is where it all began. This is where it all still happens."

Actually, it all began in a 10-by-15-foot wooden shed behind the Davidson family home at 38th Street and Highland Boulevard, where brothers Arthur and Walter Davidson designed and built the first of their motorized bicycles with friend Bill Harley in 1903. By 1907, when Willie G.'s grandfather joined his younger siblings and Harley to file for formal incorporation, 150 of their spindly but sturdy black creations

already were on the road. That number jumped to 450 the following year when 18 laborers were hired and the Juneau Avenue facility was opened for business.

For a good part of the past 25 years, Davidson has been hunkered down behind a vast white drafting table in a third-floor office, rendering on paper and shaping in clay his company's products. It is here, amid an encroaching amassment of antique wheeled toys and other vintage curios, that he creates daily the tangible elements that make up the Harley universe. It is out there, however, at the rallies and on the highways of America, that he preserves and validates the enduring Harley mystique.

"That's something that kind of just happened over the years," says Davidson, stroking his lush brown whiskers. "It's important to be involved on a personal level. I ride all the time. I spend countless hours in the saddle going to and from the meets and rallies, talking one-on-one with our customers. It's something I enjoy doing and, at the same time, it's sort of like an ongoing survey, so I know where it's really at."

Thus, everything from frames and forks and engine parts and fuel tank logos — and even a full line of signature leather clothing — regularly emanates from Willie G.'s prolific pen.

"I've always loved to draw," he says, opening a door to enter the high-security corporate headquarters. "Even in grade school, when the other kids were playing marbles and



The birthplace of Harley-Daviasor 1903.

The 1957 KRTT Rocer. baseball, I was always drawing pictures of motorcycles and cars."

Quick tour. Willie G. — wearing caramel-colored cowboy boots with gray Levis and a blue cotton shirt opened at the collar to reveal a silver, choker-style necklace — leads the way inside. Motorcycles are developed and engineered and marketed in this building but they're no longer put together here. That happens in a large former bowling equipment factory in York, Pennsylvania, that remains from the AMF years. Fiberglas is made in Tomahawk, Wisconsin, and all engines, parts and transmissions are produced at the company's 260,000-square-foot plant on Capitol Drive in Wauwatosa. Everything is then trucked 700 miles east for final assembly.

"Harley-Davidson has always been sort of synonymous with Milwaukee," says Davidson, walking slowly down a brightly lit, whitewashed corridor. "There's T-shirts that say. The Motor Company — Milwaukee," or just 'Milwaukee Iron, and there's no need for further explanation. People everywhere know exactly what it means.

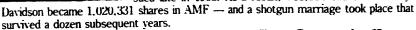
"Honestly." he adds, "we would have preferred to have kept the whole works right here in the city."

And they would have, he concedes, if not for Harley's January 1969 merger with American Machine and Foundry. "Merger mania," as Willie G. calls it, was running rampant in the United States at the time, and several large firms including Chrysler, International Harvester, Bangor Punta, White Motor and AMF were all eyeing Harley as a potential acquisition. At first, all offers were politely rejected. Before long, however, it

became painfully evident that some type of action could not be

avoided.

As it happened, Harley's hand was forced by the aggressive tactics of the East Coast railroad conglomerate, Bangor Punta. Between 1965 and 1969, 1.3 million shares of formerly private Harley-Davidson stock had been made available to the public, and Bangor Punta, a company reputed for exploiting its acquisitions, had gobbled up a sizable amount of Harley-Davidson. Harley executives, led by Willie G.'s father, responded by re-opening negotiations with AMF, then urging shareholders to favor AMF during the bidding war that ensued late in 1968. As a result, 713,554 shares in Harley-



From the start, Davidson recalls, it was an uneasy alliance. For more than 65 years, Harley basically had been a family-run operation. Then, suddenly, rank outsiders — who didn't know a Panhead from a Shovelhead and didn't seem to care — were in total control.

It was the beginning of the end for many of the Harleys and the Davidsons. Several family members holding private stock quickly sold it off (at a healthy profit). Willie's father, William H., was forced to step down as company president and accept an "arm chair position" in charge of a board that, in reality, no longer existed. Walter Davidson Jr., who was vice president of sales, soon became disgruntled with the new regime and resigned.

"There was a lot of confusion about what would happen to us," says Willie G., who steadfastly maintained his design post throughout the era. "The AMF people had no experience with motorcycles, and they had their own way of running a business. It was difficult, to say the least."

To say the most. Davidson readily suggests that the merger ultimately may have saved Harley from premature extinction.

"We were just getting into all sorts of government regulations on emissions control and sound levels and lighting," he says. "Capital was necessary to meet the requirements, and AMF was willing to invest in many different projects. From that standpoint, it was like having a rich uncle with very deep pockets."

Willie G. walks on, greeting employees and identifying different departments as the impromptu tour continues.

"We could design an entire bike on our CADS," he says, changing the subject as he peruses Engineering and points out the company's 14 high-tech, 3-D, computer-aided design stations. "We could, but we don't. Computers, I'm glad to say, have not replaced the creative designers here. They're an effective tool, but they can't really sense what the market desires.

"A motorcycle is more than technology. A motorcycle needs a heart and soul. That's where I come in."

He came in, originally, in 1963. He'd been a fine arts major at the University of Wisconsin — Madison, but the unwelcome prospect of teaching color wheels to school kids had prompted a transfer to the renowned Art Center College of Design in Pasadena, California, where he was better able to indulge his "vehicle-itis" while training for the type of career he truly desired.

Upon graduation, there was an offer from the Ford Motor Company in Dearborn, Michigan, but Willie G. opted instead to return to Milwaukee and work as an industrial designer for Brooks Stevens Associates Inc.

"I always knew that I'd eventually work for Harley-Davidson," he admits. "I just never knew how or when it would actually happen."

One of the original Harley-Daviasons, 1903



A Harley-Daviason Service Car.

It happened, or course, in 1963 when expanding product divers__ation — into golf carts, snownobiles, pleasure boats and other products — dictated the need for a full-time director of design at Harley. William H. — whose youngest son, John, was already on the payroll — offered William G. the position, and Willie eagerly joined the fold.

"I told him I'd grab my crayons and be right there," he chuckles. "I grew up in this plant, so coming to work here was just like coming home."

The 10



ratch it! Like a flash. Willie G.'s 27-year-old son. William J., emerges from a first-floor cubicle and two generations of Davidsons nearly collide head on at Hog Heaven. In his third year as the company's coordinator of advertising and sales promotion. Billy Davidson is "up to his ears" with plans for the largest national p.r. fundraising effort the company has ever mounted — including the ambitious "Milwaukee Ride," for which thousands of bikers, led by Harley executives, will depart from nine different cities, then converge simultaneously at the lakefront here for Harley's 85th anniversary festivities. Clearly, there's no time to stand around and chat.

"Charlie Daniels is confirmed." Billy calls out, as he disappears into a maze of busy work ations. "Add 'em to the list." Willie G. responds. "It's going to be one helluva party!" And after eight-and-a-half decades, you know that it will be.

"We've got her back in control and working fine," Willie G. says, "It really was rough going for a while, though. A lot of people said we'd never make it."

To be sure, when a management group comprising 13 Harley executives — led by AMF expatriate Vaughn Beals and including Willie G. Davidson — purchased the Harley-Davidson Motor Company from AMF for approximately \$75 million on June 23, 1981, the transaction appeared to be, at best, a high-risk proposition.

Experts scoffed and advisers warned that (what would become known as) the "Harley buyback" was a potential case of fatal attraction. When the company's own ex-president, John A. Davidson, Willie's youngest brother, decided the venture would be too much of a gamble and withdrew his support, most observers agreed that the outlook was grim. The determined 13, however, were convinced that they could make it work, if only they proceeded in the bold tradition of Milwaukee Iron.

Of course, bikers everywhere rejoiced as members of the buyback team led a symbolic motorcycle procession from York to Milwaukee to commemorate the re-acquisition. It was common knowledge that AMF had sacrificed quality for quantity, and as a result, had substantially blemished Harley's long-standing reputation for superior performance and reliability. Still, even while the press and the public applauded loudly the re-establishment of an enthusiastic, quality-first era for American motorcycles. Harley's new owners already were contemplating the long and treacherous road ahead.

Throughout AMF's tenure, motorcycle products were strong on sales but consistently weak on profits. And the future did not look bright. Increasing government regulations for safety and emissions control continued to preoccupy the research and development of Harley hardware and — while Japanese manufacturers were steadily eroding the company's already diminished share of the market — rumor had it that a severe recession was on the way. AMF had wanted out.

Nonetheless. Beals. Davidson and the others were cautiously optimistic. One early revitalizing step they took was to franchise Harley's historic bar-and-shield logo and aggressively pursue licensing agreements for everything from T-shirts to children's toys to grandfather clocks. The company swiftly moved into the lucrative world of retail merchandising and managed to secure a previously untapped source of revenue.

It was not nearly enough, however, to counterbalance the negative impact of the burgeoning Japanese invasion. Simply put: Harley-Davidson could not compete, under existing conditions, with Honda, Yamaha, Kawasaki and Suzuki. In 1981, the Honda Motor Company alone produced more than 10 times as many motorcycles as Harley — and many of those were designed to look

exactly like the domestic product and sell at a much lower sticker price. When AMF charged, in 1978, that Japanese manufacturers were engaged in the illegal practice of "dumping" — that is, intentionally selling units at prices less than their fair market value in order to gain a greater share of the American market — the U.S. Treasury Department agreed, but demurred from taking action when the independent International Trade Commission ruled that the dumping had not significantly damaged Harley sales.

But it had, and by the middle of 1982, the new Harley-Davidson was on the ropes. The

The founders from left. William A.. Walter Sr. and Arthur Daviasch and William S. Harley



predicted recession nit hard on Juneau Avenue. Production plants w running at half capacity and workers were being laid off in record numbers. This time, it was members of the still-fresh buyback team who desperately sought a rescue net in Washington, D.C.

Thus, America's only remaining motorcycle manufacturer sought relief under Section 201 of the Trade Act of 1974, which was created specifically to help protect domestic industries ravaged by an influx of imports. In August 1982, Harley-Davidson filed papers —

with the same International Trade Commission that had rejected similar petitions by AMF in 1978 — stating that the Japanese were building up extraordinarily high inventories of unsold motorcycles in the U.S. and, further, were waging a direct assault on Harley's markets by copying virtually all of their products' styling, as well as their marketing research.

On April 1, 1983, the White House, acting on the ITC's recommendation, shocked the Japanese motorcycle industry by imposing substantial tariff increases on all Oriental bikes of 700cc or larger. The tariffs would be in addition to the then-existing 4.4 percent and would annually decline, for a period of five years, from a rate of 45 percent in 1983 to 10 percent in 1987. Harley-Davidson would be on its own from there.

And that suited Harley just fine. With the necessary time to complete their revitalization programs, the company soon was able to recapture a competitive position. By focusing efforts on quality control, improved productivity and cost reduction fell into place. In 1986, Harley surpassed Honda with the largest share of the Super Heavyweight motorcycle market — and stunned its critics by actually turning a profit.

Back in his office, Davidson checks his messages, then slips into a black leather "Hard Rock Cafe" bomber jacket and heads downstairs. It's cold and it's raining, so the new FXSTS Springer Softail he'd planned to ride will just have to stay put in the company garage until another day. Tonight, alas, he will drive home from mecca in his candy apple red Camaro.

"I'm not trying to sound like we've solved all our problems and now we can just sail down the street without nobody catching us," Willie G. is saying, as he starts off toward Elm Grove. "All I'm saying is that we've kind of turned the corner, that we've become a force again in the big-bike market."

As well as the stock market, thanks to one of the original 13, Richard F. Teerlink, who masterminded the successful return of Harley-Davidson Inc. to public ownership by offering two million shares of common stock and \$70 million worth of high-yield notes on the American exchange in July 1986 when Citicorp, one of the buyback effort's primary lenders, decided to call in its markers. Besides giving Willie G. the occasion to lead another symbolic motorcycle procession — down Wall Street, when HDI switched over to the NYSE last summer — sales of stock provided the capital needed for the savvy December 1986 acquisition of Holiday Rambler, one of the nation's top diversified manufacturers of commercial trucks and recreation vehicles, whose sales now account for more than one-third of Harley-Davidson's total revenue.

"Mennonites," says Willie G., pulling into his driveway. "They're all Mennonites down there in Elkhart, Indiana," where Holiday Rambler is based. "Good, honest, hard-working, proud people."

Not unlike the people of Harley-Davidson in Milwaukee, he notes, who went back to Washington in March 1987 and made history as the first company ever to petition the ITC to terminate the import relief tariffs a full year before their scheduled expiration.

"We were able to say, okay, we've turned it around, we're profitable, things are looking good and we don't need the tariff anymore," Davidson explains.

"We invited President Reagan to come see us and he did," at the York plant on May 6, 1987, "It was a very emotional, flag-waving, U.S. of A. day for all of us."

Willie G. throws open the front door of his house and greets his wife, a former school teacher and his motorcycle riding partner for most of the past 30 years. The ranch is large and comfortable — typically suburban except for an eclectic array of fine art, craftworks and biker memorabilia.

"People send me stuff all the time," Davidson says, holding a one-of-a-kind, quarter scale, hand-tooled, all-leather automobile. "Other stuff I find myself," he says, gesturing toward the fully restored, twin-cylinder 1923 Harley racer on display in his family room. "I think it's important to try and preserve our heritage."

Nearby, on a wall lined with Willie G.'s own watercolor landscapes, a framed ad for the company's 1978 XLCR Cafe Racer tells of the Harley executive who "never wears a suit and tie to the office" and actually "rides to work on the motorcycles he designs."

"I don't really like it," Davidson says of the ad. "When you do that kind of thing, people start to see you as something other than you really are.

"I'm not a p.r. guy," Willie G. says, looking up at the rare Harley-built bicycle that's suspended by a chain from his cathedral ceiling. "I'm just a guy who loves to ride."



Waiter Davidsch in 1908 after winning ch endurance raus

The 1985 Harley-Davidson Softail FXST.



Toshiba: Soviets Already Had Technology

French Submarine Equipment Found in USSR, Company Claims

By ROBERT A. ROSENBLATT.
Times Staff Writer

WASHINGTON—Toshiba Corp., fighting to keep from being thrown out of a \$2.3-billion share of the U.S. electronics market over the sale of sensitive submarine technology to the Soviets, said Wednesday that its workers had found similar equipment made by a French company in the Soviet Union.

The equipment in question enames the Soviets to manufacture submarine propellers that are virtually noiseless, a key factor in anti-submarine warfare.

According to an investigative report issued Wednesday by Toshiba at a news conference, a company named Forest Line. a subsidiary of the French firm Machines Lourdes Francaises, may have been the first to sell the Soviet Union milling machines that grind and shape submarine propellers.

Saw French Machines

U.S. government sources noted however, that the Soviet submarines did not become "silent" until after the sale of the eight high-technology milling machines made by a Toshiba subsidiary, suggesting that the French technology was not sufficiently sophisticated to make the specially engineered, virtually noiseless propellers.

"The French equipment was already there, but the submarines started to get silent only after the Toshiba stuff went in," a government source said.



Associated Press

Toshiba Chairman Nobuo Ishizaka

Toshiba employees said they saw Forest Line machines when they installed equipment in the Soviet Union in 1983, according to the report, which was prepared by Mudge Rose Guthrie Alexandre & Ferdon, an American law firm hired by Toshiba.

When questioned recently about the possibility of Forest Line's involvement in the sale of submarine equipment to the

Soviets, Machines Lourdes Francaises officials said that they had no knowledge of such transactions. However, they did not rule out the possibility that such a sale could have been made by one of the firms that make up MLF before they merged to form the corporation five years ago.

"If there was any irregular activity by one of the companies that became MLF in 1982, then it could only have involved equipment that was ordered and delivered in the 1970s," MLF Managing Director Gerard Borgneit said. "I have no knowledge of this, since I joined MLF at the time it was created."

Senate Calls for Restrictions

Toshiba said in the report that no Toshiba Corp. employee "either played a role in or had any knowledge of the illegal sales [by the subsidiary firm] of any of the eight propeller milling machines to the USSR."

The Senate, angered by disclosures that the Soviet Union had obtained technology to design and build a new group of quietly operating submarines, has included in its trade bill a provision forbidding the importation of Toshiba goods for as long as five years. House members share the Senate's concerns, but their chamber has no pending legislation calling for Toshiba penalties.

A House-Senate conference called to reconcile the two chambers' differing trade bills will decide this month whether to

Please see TOSHIBA, Page 3

James A. Ba-

Baker Lender to Wri

By TOM RET

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Lorillard Plans to Take on the Marlboro Man With 'Racy' Harley-Davidson Cigarettes

By BRUCE HOROVITZ, Times Staff Writer

Can a grinning couple on a Harley-Davidson knock the Marlboro Man off his high horse?

The folks at Lorillard Inc. sure hope so. That's because Harley-Davidson isn't just a motorcycle anymore. Now it's also a cigarette.

Behind the racy new brand is Lorillard, the tobacco company that makes Newport and Kent brands. Now, it hopes to woo younger smokers by naming a cigarette after the high hog of motorcycles. But before spending an estimated \$100 million to market it nationally. Lorillard has begun test-marketing Harley's in Terre Haute, Ind.

"We're not just going after motorcycle

riders," said Sara R. Ridgway, vice president of public relations at New York-based Lorillard. "We think we can compete with the Marlboro cowboy," she said. Lorillard couldn't have found a tougher—or bigger—competitor. Right now, one in four U.S. smokers say that best-selling Marlboro is their brand, according to maker Philip Morris Cos. But a Marlboro brand manager refused to comment on the latest contender.

Much like Marlboro, Harley is pushing image. And that image isn't lost on the anti-tobacco forces. "I can't think of a better

Please see CIGARETTES, Page 4



MARKETS AT A GLANCE

Wednesday, Sept. 9, 1987

Wednesday, Sept. 9

INSIDE

Obstacle Removed

A management group withdrew its buyout offer for Restaurant Associates Industries, removing an obstacle to its acquisition by restaurateur Anwar Soliman.

Please see Page 2

No Free Ride

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States, and recently there were more pictures of Coc. Cola products than pictures di's annual report.

CIGARETTES

Continued from Page

symbol for a cigarette," said Irving Riemer, vice president of the American Cancer Society. "It says, for those people who are risk takers and daredevils, this cigarette is for you"

"I'd tip my hat to them, but in the same way that I'd tip my hat to the Malia if it figured a new way to bump somebody off," said John F. Banzhaf, executive director of the Washington-based lobby group, Action on Smoking & Health.

Lorillard is hardly the first company to associate its name with Harley-Davidson. Currently, more than 65 companies that make everything from T-shirts to a brew called Harley Heavy Beer are licensees of the Milwaukee-based company. But none of these licenses have anywhere near the potential advertising clout of Lorillard.

The cigarette ads and billboards in Terre Haute feature a helmetless couple riding a motorcycle. The ads show the gold Harley-Davidson eagle stamped on a black cigarette pack and the brand's slogan, "Take a new road."

"For once, motorcyclists will be seen in a positive light," said Jeffrey Bleustein, vice president of parts and accessories at Harley-Davidson. "The riders will be clean-cut. It will look a lot like a Kodak ad."

Dealers Ambivalent

But not everyone at Harley-Davidson is thrilled with the new

In fact, some Harley-Davidson dealers bickered when they heard about it earlier this year at a dealers meeting in Baltimore. "Sure, there were some who thought it might be bad for our image," said James Paterson, the company's marketing director. "But we're not encouraging anyone to smoke. We're just saying, if you do smoke, it might as well be Harley's."

One local dealer. Oliver Shokouh, owner of Harley-Davidson of Glendale, said he has mixed feelings. "When I first saw it," he said, "I wondered why Harley-Davidson would want its name on a cancercausing product. But there are a lot of people who are willing to tattoo the Harley-Davidson logo to themselves. I suppose these same enthusiasts will buy a few packs."

No doubt, there will be some ready-made customers, said E. L. Stillman, executive director of the Huntington Park-based Harley-Davidson Owners Assn. "Some people are so happy to see anything that says Harley-Davidson on it that they'll smoke it even if it kills them."

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We're there for you, every day. Los Angeles Times

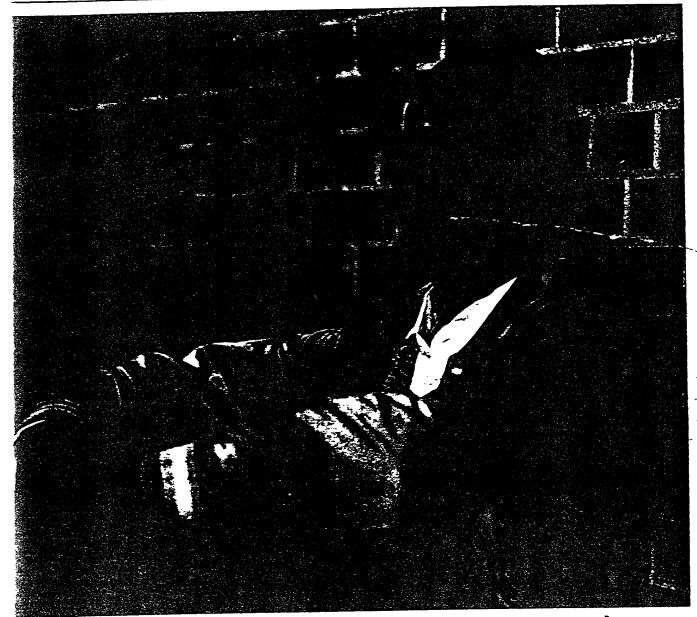




VISCONSIN

LWAUKEE JOURNAL MAGAZINE

August 2, 1987



nothing comes easy

SEPARATE BUT UNEQUAL, THE CHILDREN OF THE '67 RIOT FIND THE BARRIERS STILL THERE

EXHIBIT

62

SITTING PREITY ON LWAUKEE

By Ron Leys

IGHWAY 6 climbs the side of a mountain between the hamlets of Wysox and Rummerfield in northeast Pennsylvania. At the top of the grade, a sign directs tourists to a parking lot overlooking one of the state's most spectacular scenes.

Straight below, perhaps 500 feet down, the Susquehanna River makes almost a horseshoe bend. A checkerboard of fields, a half-dozen farmhouses, a country church and specks that are cows can be seen far below. The Appalachian Mountains march away in the background.

A historical marker in the parking lot says that a group of French royalists fleeing the French Revolution established a community in the river bend in 1794 and had hoped to provide a sanctuary for Queen Marie Antoinette.

It so happened on a blue-sky June day that my son Jon and I saw the sign on the highway, turned in. parked our motorcycles, took off our helmets and gaped in awe.

When a stranger drove up and got out of his car, all I could think of to say was: "Sure is pretty."

"Sure is," he replied.

After a pause to consider all that, the stranger said: "Oh, you meant the view. I meant the motorcycle. And not the Yamaha."

As the conversation continued

and introductions were made, our new friend - Al Crawford - said he also owned a Harley-Davidson bike, a 1966 model.

What he was looking at now was a 1987 FXRT Harley-Davidson Sport Glide, a middleweight highway cruiser whose mahogany- and maroon-colored fairing and gas tank glowed in the afternoon sun, with chrome engine parts and exhaust pipes glinting like so many diamonds.

The FXRT does not shout "Harley" like some of the massive fulldressers with their drooping fenders and leather saddlebags. Its profile speaks of grace and speed rather than raw power. But the FXRT says Harley-Davidson, both in letters on the gas tank and in the unmistakable Harley engine, the naked V of big-bore cylinders.

It says it again when the ignition switch is pressed. This engine doesn't hum or whine or purr. This engine throbs, sounding the beat of each spark-plug explosion, shaking the entire machine like a wet dog.

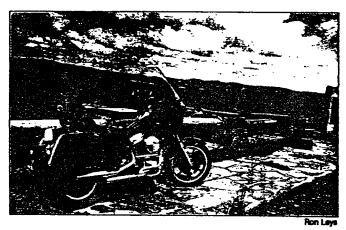
This is Milwaukse iron.

HAT'S the look and the sound that turned the heads of guys like Al Crawford of Pennsylvania and dozens of others as Jon and I motorcycled from Milwaukee to upstate New York and I returned alone, while Jon got ready to head out for his summer job in Vermont.

We rode out mostly on US Highway 6, a two-lane pavement that rolls across Indiana and Ohio and Pennsylvania on its way to upstate New York, although we hit some interstates along the way.

I left Jon in New York, where he planned to visit friends before riding his Yamaha to Vermont. I returned alone to Milwaukee, mostly traveling Interstate 80, rolling up

Continued



To ride in style, Ron Leys rented a shiny new Harley-Davidson highway cruiser to accompany his son Jon on a trip east. He enjoyed overlooks such as one in far western Pennsylvania (opposite page) and in northeastern Pennsylvania's Susquehanna Valley (above).

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through micro surgery, a new minical technique, Northwest Foot Cenffers bunion removal with no hospition. Patients may return to work short period of time. Women have ast majority of bunions and in toworld, bunions are just not accept the A. Nielsen, Director, who chieffer member of the Academy of plants foot Surgery, performs bunno other foot surgery in the modern ities of Morthwest Foot Centerstics is mited to corrective foot sur-

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HARLEY

rolling up 1,822 miles in five days.

Rverywhere we went, from the small towns along Highway 6 to the test sines along the interstates, it was the Harley-Davidson that brought the attention. The Yamaha Virago, which also has an exposed V-twin engine, looked like what it is, an imitation Harley-Davidson.

I had rented the Harley for the trip, and I found it bringing me into conversation both with small-town men and the modern-day Gypsies who follow the interstates.

Although Harley bikes are assembled these days in York, Pa., the engines-are made in Milwaukee, where the Harley-Davidson Motor Co. began building single-cylinder motorcycles in a back-yard shed in 1903 ... where V-twin engines have been built since 1909 ... where massive 74-cubic-inch power plants were machined from 1922 to 1980.

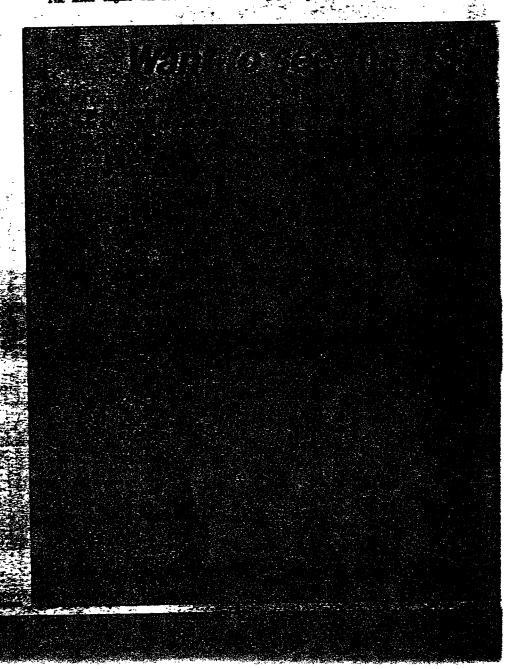
The latter engine was known around the

urld as Milwanhas iron, and all the bury force it fondly to this day. It was helted into the frame, and R shook the machine like a terrily shakes a rat. It also threw oil all over the phint, it was the inights end the machine that help stop sign with a rose amounting to the world that you were thin snough to ride a Harley.

OSCAR Albeit and periods and temper ports mad city base from Long bland back to Minnesses first stoomstands and recals, "just for comething to do" do to talked at a rest stop slong 100 to control Passe sylvania, he said he rode a Japanese motorcyclistics days, but he remembers the Harleys of his past and talks of one in his future.

He ran a finger over the seel around the transmission cover.

"Look at thet," he said in amazament. "Not a drop of oil. When I walked over here, I looked for oil dripping down. The old ones always had a puddle under them. And the way they shook. You could only side them half a day, then you had to spend the other half tightening up all the



another rest stop school ir word, about the shaking, comment about the oil the over everything, including

ange the oil in their pents

hopes to buy a Harley somea Honda with a 750-cubicbut he wants a full-dresser e of the traditional-looking a Tour Glide with its full age compartments.

me thing that keeps many m riding a Harley: the price rode has a suggested retail \$9,199 with a single-color e includes a windshield and and tape deck, and fiberglass

H Sportster 883 is available es, that little machine with a

Harley finder bie finde mein für ar infelieben Harley-Dev ihn ibs Tingelie Ingel Heine Studion Reputet India and deput introder that hel bir \$2,000 to \$6,000 or so.

What the diseases have in mind is one of the big bikes with the 80-cable-inch (1, 140cc) is valution engines that have been Milwaukes iron since 1981.

FEW honest questions must be asked here: Does anybody really need a Harley-Davidson? Does a motorcycle really need an engine that big? Doesn't a Japanese imitation do everything a Harley can do?

The answer to the first two questions is no, and the third answer is yes. The Yamaha that Jon is driving this summer actually belongs to me. It's a 1982 model that I bought two years ago for \$1,700, when its odometer showed 1,900 miles and it was still essentially new. I have had zero problems and a lot of fun with it.

Jon turned the 5,000th mile on the Yamaha somewhere in Ohio, and he was able to keep up with me everywhere on the trip, including long.

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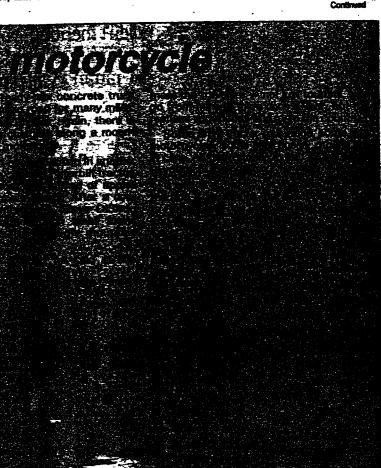
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HARLEY

ong grades in the Pennsylvania and New York nountains.

But as Jon pointed out, nobody buys a motorvele because he needs one, not in Wisconsin where the hiking season is six months long, and hen only if you pick your days in spring and all. Motorcycles are bought for reasons that nclude fun, but also include personal identity.

The price tag is an attraction to some. Just as a Rolls-Royce, by its very ugliness, tells the world that you have more money than you need. so does a Harley-Davidson. The Harley motorcyde is not ugly in the awkward sense of a Rolla-Royce or even the dowdy, bustled Cadillac. But the beauty of the Harley "hog," for some people in this possession-conscious age, is its announcement that you have money to burn.

Surely that must be one of the attractions for men like Malcolm Forbes, the millionaire publisher. In a recent article he wrote for Popular Mechanics, he said that to tour America successfully, you really should own about 40 motorcycles, as he does.

The Harley hog has become to some yuppies what diamonds have always been to women: an announcement that I have it and you don't.

Now that you don't have to change oil in your trousers anymore, there is no reason why the urban and urbane upscale lawyer or pretender can't impress his friends and neighbors with a Harley. Many of them have done just that.

No, you don't need that raw power. But there are millions of Americans who were once teenagers fixated on motors. Those men still delight in the muted growl always present as a Harley rolls across the countryside. Their hearts hammer when they touch spurs to a full-bore Harley and the steed responds with an angry roar and a leap forward around that semi laboring up the grade ahead.

ANGER lurks there - a terrible, frightening danger that rides with every motorcyclist, but especially with the one who doesn't know how to curb that power.

All bikers are aware of the peril. Indeed, that is one of the attractions. There are men, legions of them, to whom a life without physical danger would be dull. The leather-jacketed biker regards the average tourist he meets on the interstate as rather tame.

But to each other, to the members of this tight fraternity, the standard leave-taking is a softly spoken, "Have a safe trip."

Even the crazies, and there are plenty of crazies riding powerful bikes, sense this.

For example, take the young man pumping gas in Corry in western Pennsylvania. He told us with glee how his big Honda had cost him \$2,600 in speeding tickets and an 18-month license suspension so far. You could see the pride in his eyes as he said a police radar had once clocked him at 139.7 mph and how it had taken a police radio and a roadblock to stop him.

As Jon and I pulled out of the station, he said. "You have a safe trip."

Ron Leys, a longtime motorcycle enthusiast. is The Milwaukee Journal's outdoor editor.



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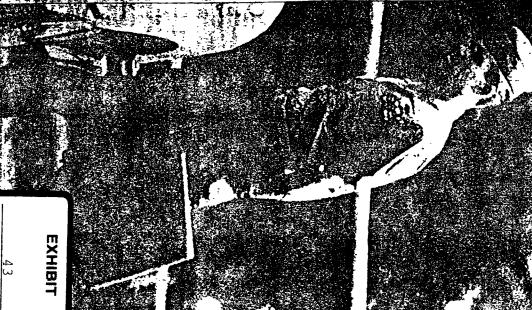
THE MILWAUKEBOOLRIA

Real estate break, teen tr at 14 in new budget bundle

the Senate.

The tax plan to be presented to the governor. Ram. The tax plan to be presented to the governor. The tax plan to be presented to the includes. Rapublican governor would be part of a budget that also includes. Rapublican governor would be part of a budget that also includes. Rapublican governor and at which juveniles can be presented the state of the presented that the control of the presented that the presented tha

Unemployment rate hits 7-year low here



TURNED OVER - Marine Lt. North, formerly on the staff of

Rainbow Summer Fourth US Army Bend, notes, Thursday at The Journal's 7 7

MENIAEN PAC Free reules-erre forecase from Helional Weather Bervins

Yenight -- Partly clouds

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D4 80	panora.
about 60	Tanorow night's low
O# 80a	Head day's
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Temestress -- Parity sunny and more hunkl with a 30 % chance of thunderstorms. Details on Page 78.

s a sparkler This forecast E .

If you are planning to attend the Fourth of July freworks Friday sight at the lakefront, what will be were biggest problem?

C Finding earphigh if you at the close.

D Your acreaming baby.

Asswer: Don't worry about the rais.

According to the National Weather Service, the fire-According to the National Weather Service, the fire-According to the National Weather Service, the fire-According with the weather thes. Surven Heatt, a forecasier with the weather thes. Surven Heatt, a forecasier with the weather the office at Mitchell Adoptic, said a cool front that service office at Mitchell Adoptic, said a cool front that service of the fire that the fire of the fire o res at the lakefront are expected to

the Priday sight.
On don't believe Heartz, then stay home.

works will be broadcast on WTMJ-TV (Channel 4).
For totight, the weather service is predicting cloudy as with lows in the mid-50s to sear 50. Thursday is thance for thunderstorms. Highs should be in the 190s, but in the low 70s on the Summerfest grounds. tad to be partly sunsy and a little more humid, will

Looking ahead, Hents said Milwaukee's skirs would be partly cloudy on the Fourth of July, with highs in the There will be a chance of thunderstorms Sunday,

be partly cloudy Saturday.

mater's previous complete terral and country for the country of th

to remain Tarac Gulf plan

US PE

Jones in the Persian Gulf

7.5

bills to sidetrack tanker protection. But frustrated Democrats are push

eesk legislisten oppning US Persian Galf polity, and cre-la wranker and Wednesday that President Reages, and cre-mind made up before meeting with congruences legister; to puth sheaf with protecting Kwwatt Lankers. Washington, D.C. -AP - Democrates ingistation opposing US Persian C

they intend for, you know, a few minutes. See Daries, Petrick Moyulhac (De.N.Y.) and so ADC TY TY TO NOT THE MOYULLA CONTROL TO THE MOYUL "The Demogratic headership of the House and San went down ... and talked to the administration, for

The state of

Arabias Sua

They weren't commenting Think is problem to the work of the problem of Congress to derail the dissillation of plans of the problem of the pro

Nunn chairman of the Senate Armed Bervices Compand mittee, spoke after he and other congressional headers of met with Reagan at the White House. can't really stop it now.

met with Reagan at the White House.
The Democratic-run House will vote July 8 ea a proposal that would request a 90-day delay in the White proposal that would request a 90-day delay in the White House plan to have US ships protect Kuwafit oil tealura. House plan to have US ships protect Kuwafit oil tealura. A vote had been schoduled Wednesday, but was post-posed after GOP threats to use delaying tucker and after the White House said the plan wouldn't take effect said!

Rep. Mile Lowry (D. Wash.), chief author of the Homes manure, said, "We still don't believe it's too late. But in any case, the fact is that foreign policy won't work misses any case, the fact is that foreign policy won't work misses it's supported by the American people and by Coagress. It's important for us to act."

eyeleri, About 1,530 personnel. About 1,530 personnel.

- Marie 18-Inch guns, 80

Destroyer -- 8 Harpoon missilas, 82 SAM missiles, Phalanx system. About 340 personnel

Cruser — 8 Harpoon missiles, 60 SAM missiles, Phalanx system. About 500 personnel.

Command ship - Two 40-mm

guns. About 440 personnel

About 200 personnet. Frigate - 36 SAM missiles, 4

Harpoon missiles, Phalanx system

thout 6,500 personnel. Urgraft oarrier -- 86 airoraft, See

Hea, Phelanx system

In the Senata, also controlled by Democrata, floor action is possible Wednesday on a pair of messures approved Tuesday by the Foreign Relations Committee. One bill would block the US policy and the second would

At Tuesday's White House meeting, Reagan said-be would not delay his plans to reflag and escort the tarkers.
The US plan is not expected to begin before mid-laily. invoke the 1973 War Powers Act

Please see Gulff, Page 12A

furn to theater district

could not be reached for

governing overtime, particularly is spinere bad weather halts work on a spinere bad weather halts work on a spinere was the interior. the Associated General Contrachar said the Findorff company was

to the treater and the treater with

the Operating Engineers as well as with Cament Masons Local 558, which west on strike Monday.

main project contractor. The cement masous' strike could soom thome for the theater district project colors of plant to severcather afficient reseas. Estancing is never-different areas, said Robert Schills, tior vice president for Morse Diesel, the

paritie on a selective basis. Iron workers remain at work swelting strike approval from their international union. Plumbers and steam fitters are on

stock on sale Harley puts with a roar

Special to The Journal

Davidson thundered into Wall Street New York, N.Y. - Harley .

churchyard to dramatize the listing of the Milwaukee-based York Stock Exchange Manhattan's financial district and manufacturer's shares on the New York Stock Exchange olled across the historic Trinity The roar of 25 of the motorcycle many's big "nogs" reverberated

NOX

of administration and finance, and william G. (Willie) Davidson, the bikers' guru and vice president in charge of motorcycle design, who, observers said, donned a tie for the Pa., earlier this year. and chief executive officer; Richard At the head of the pack were

Airgraft carrier Conete

hig Missouri (late July)

astride Harleys, the traffic-stopping eavalcade also included an 18-wheel tractor trailer, emblazoned with the exchange executives saddled up behind the bikers for the trip in from a Harley-Davidson distributorship across the East River, in the borough manufactured by the company's RV subsidiary in Wakarusa, Ind. Five limousines were provided for "people" who don't 'ride," a Harley tarjey.Davidson logo, and a Holids) epresentative said, but a number of ambier recreational

navigated a tight left turn into a narrow Wall Street and pulled up to It motored down Broadway, Escorted by police officers, also

US navel beas Diage Gardis

Please see Harleys, Page 11A

D.

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last mouth, saying it did not not han radar

Michigan

ture can take another or attempt to greeride Of swing libes explications

rom Page 1A Harleys

the entrance of the Stock Enchange.
The spectacle was, the company "Epished in newspaper ads accounts of United States Wednesday, a senting of the "agend of the com.

ares in the shadow of a saotorcycl schange after the tra Corporate exacutives and guest mounted for lunch in the richly the company public last year, action in the day. Beals, who

The shares formerly were listed the American Stock Exchange on trby Trinity Pl., but Beals applied a listing on the Big Board as soon

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Advertising ERROR

are two errors. the Double Page Kohre is ood Advertisement in loday's burnal Food Section there

promoted Scott Towels.

onvenience this may have brain 12 bount box. also promoted Popeide, 24 int boxes. This should have

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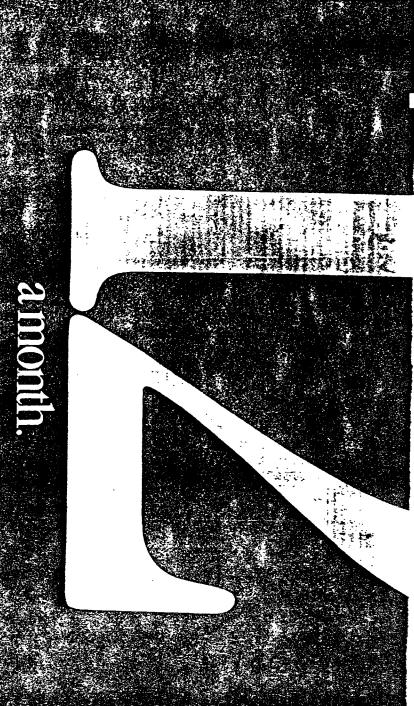
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PRESIDENT REAGAN TO TOUR MOTORCYCLE PRODUCER'S PLANT; HARLEY-DAVIDSON COMES ROARING BACK Los Angeles Times May 5, 1987, Tuesday, Valley Edition

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May 5, 1987, Tuesday, Valley Edition

SECTION: Business; Part 4; Page 1; Column 2

LENGTH: 1596 words

HEADLINE: PRESIDENT REAGAN TO TOUR MOTORCYCLE PRODUCER'S PLANT;

HARLEY-DAVIDSON COMES ROARING BACK

BYLINE: By WARREN BROWN, The Washington Post

DATELINE: YORK, Pa.

BODY:

President Reagan will visit here this week to honor an American company that climbed from the trenches of near-financial ruin and put aside the shield of protectionism to take on foreign competitors.

The company is Harley-Davidson Inc., the only U.S.-based manufacturer of big motorcycles -- the kind made famous by the infamous Hell's Angels; the kind featured in movies such as "Easy Rider" and "The Wild One," the kind almost wiped out by Japanese brands five years ago.

Harley-Davidson officials complained back then that the Japanese were flooding the U.S. market with big motorcycles -- deliberately overproducing to build up gigantic inventories of the bike to be sold later at cut-rate prices.

The U.S. company appealed to the International Trade Commission to impose stiff tariffs on big foreign bikes, an action that the Reagan Administration took in April, 1983.

Thus protected, Harley-Davidson officials proceeded to cut manufacturing costs, improve management and product quality and recapture lost market share.

The story could have ended there. But Harley-Davidson officials went one step further. In an unprecedented move this year, they asked the ITC to drop the tariffs that saved their corporate lives.

Doesn't Need Protection

"We no longer need the special tariffs in order to compete with the Japanese," a triumphant Harley-Davidson Chairman Vaughn L. Beals told a Washington news conference.

Beals' comments came as the company, which was \$160,000 in the red as the first quarter or 1986 ended, posted earnings of \$5.2 million for the 1987 period.

"We've taken a company that had been driven to the brink of disaster by our Japanese competitors' predatory practices and transformed it into a company that is not only financially viable, but a market leader as well," Beals said.

Beals' scrap-the-tariffs request could not have come at a better time for the Reagan Administration, which is battling increasingly tough odds to hold down rising protectionist sentiment and legislation on Capitol Hill.

And so, the President is coming to this southeastern Pennsylvania town to visit one of the two Harley-Davidson plants producing the thunderous motorcycles, some of which have engines as big as those in small cars.

There will be speeches and plant tours and posing for photographs. There will be lots of reporters and pundits. And there will people such as Harry Smith, a 36-year-old working man and union leader, who has put 17 years into the plant.

"I don't know much about politics, and I really don't care about it either," said Smith, president of Local 175 of the International Assn. of Machinists, which represents 923 production workers at the sprawling Harley-Davidson facility here.

"I do know that the tariffs helped to slow up the imports, and that that helped us keep our jobs," Smith said.

"But the backbone of our comeback as a company is our people here," Smith said. "They have a lot of skill and craftsmanship and they went through a lot of hardship to get the company where it is today," he said.

But despite the recent success, doubts remain.

In fighting its way back, Harley-Davidson imposed layoffs that reduced the Milwaukee-based company's national payroll to about 2,200 today from 3,800 in the early 1980s.

Much of Harley's comeback is attributed to the use of "quality circles" and other employee-involvement programs, as well as statistical quality control and just-in-time inventory procedures -- all of which have been used by automotive and other U.S. manufacturing companies trying to regain the competitive edge. But just as General Motors is beginning to meet employee resistance to those programs, it's also showing up here.

Kenny Anderson, a union official and electrical maintenance worker, said, for example, that he was "all for" the quality circles in use at the York plant when it was in trouble. But he said the quality circles now seem to have veered away from their original purpose and have become institutionalized as a way of keeping the pressure on workers.

Also, other workers point out that even though their sacrifices, combined with the tariffs, have helped to save the firm, there still seems to be no guarantee that they won't lose jobs. Said worker Red Bixler: "They can't convince me that the only reason they want to streamline jobs is to reduce production costs. Every time we reduce production costs we also seem to reduce the number of workers.

"I'm not worried about our ability to compete on the basis of skill. The people here always have had the skill and the will to do a good job, even before the company started getting its act together in 1983," Bixler said.

If Harley-Davidson falls victim to motorcycle imports again, the company might not care, Bixler said.

"Harley is more than a motorcycle company nowadays," said Bixler, echoing a sentiment often expressed by Harley-Davidson officials themselves. In fact, Bixler's own job, inspector on Harley-Davidson's "bomb line," which produces bomb casings -- so-called practice bombs -- for the Defense Department, is an example of the company's efforts to diversify its earnings base.

Another example is Harley-Davidson's \$155-million acquisition last year of Holiday Rambler Corp., a major recreational vehicle manufacturer based near Elkhart, Ind.

Harley-Davidson put up \$35 million in cash for Holiday Rambler and borrowed the rest. The expense of the acquisition, coupled with stagnant sales and a slow-growth motorcycle market, put a big dent in Harley-Davidson's 1986 earnings.

The motorcycle company had a profit of \$4.9 million last year on sales of \$295.3 million, compared to earnings of \$10 million on sales of \$287.5 million in 1985. An estimated 11.7%, \$34.5 million of Harley-Davidson's 1986 sales, came from defense and commercial contracts -- with more than 95% of the contract awards coming from defense.

Company officials say they have no intention of abandoning the core motorcycle business that started Harley-Davidson rolling in 1903. Instead, the company is depending on continued success in the motorcycle market to fund its movement into other businesses, Beals said.

Modernized Plants

Harley-Davidson modernized its entire motorcycle product line and improved its manufacturing and marketing processes in the past four years, Beals said. The company, moribund under the 12-year ownership of AMF Inc., which ended in 1981, has undertaken one of corporate America's "most successful revitalization programs," Beals said.

Harley-Davidson now occupies second place in the U.S. heavyweight motorcycle industry behind Honda of America, and has increased its market share in that segment from a low of 12.5% in 1983 to 19.4% last year, "a level we haven't enjoyed since 1979," Beals said. Exports of the big Harley Hogs are also up, having risen 45% from 1983 levels and now accounting for 19% of Harley-Davidson's worldwide motorcycle sales. By comparison, exports made up 13% of the company's motorcycle sales in 1983.

Those incremental victories put Harley-Davidson in position to go public in July 1986, starting first with an offering of 1.43 million shares and \$50 million in notes.

The highly favorable response to that initial stock offering encouraged the company to increase the package to 2 million shares and \$70 million in notes.

Capital gained from that offering allowed Harley-Davidson to pursue its diversification strategy, Beals said. And that new strategy, along with Harley's restoration to "market leadership" in the motorcycle business, means "we have no further need for special tariff protection," Beals said. "We're sending a very strong message to our competitors and to the international industrial community that U.S. workers, given a respite from predatory import practices, can become competitive in a world market. Harley-Davidson is proof of that," Beals said.

Honored by Visit

Smith, Bixler and other Harley-Davidson workers interviewed here said they will join Beals and Reagan in celebrating the turnaround.

"Any time a President of the United States takes out time from his busy schedule to visit a company, it's an honor," said Kenny Anderson, a local 175 official and electrical maintenance worker at the York plant.

"Harley-Davidson couldn't buy the kind of publicity it's going to get from this visit," Anderson said. "If the President's coming to this plant focuses attention on our motorcycles, it helps to make all of our jobs here more secure." Bixler agreed. But he said he has one request of the President: "Ask him if he can do something to help the people who are about to be laid off on the bomb line," Bixler said.

"We got about 130 people working on that line, but the government contract is about to give out in a month or so. That means we're going to lose about 80 people, because there's not enough work on the motorcycle side to take care of all of them.

"Ask the President if he can do something about that," Bixler said.

HARLEY-DAVIDSON AT A GLANCE

The Milwaukee company manufactures large customized and touring motorcycles and related products and is the only U.S. motorcycle maker. Sixteen percent of its sales are in bomb casings and liquid fuel rocket engines for the defense industry.

Year er	Year ended Dec									
1986	1985	1984								
\$295	\$287	\$294								
4.3	2.6	2.9								
	1986 \$295	1986 1985 \$295 \$287								

Assets: \$327 million

Employees: 2,200

Shares outstanding: 5.68 million

12-month price range: \$7.25-\$16.625

Monday close (ASE): \$16.625, up \$1.875

GRAPHIC: Photo, Chairman Vaughn L. Beals and mannequin pose with a Harley-Davidson. Associated Press; Table, HARLEY-DAVIDSON AT A GLANCE

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: CHRIST

Exhibit 102

29TH STORY of Level 1 printed in FULL format.

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April 2, 1987, Thursday

SECTION: SECTION I; Editorial; Pg. 24

LENGTH: 1358 words

HEADLINE: Riding Free Again;

Harley-Davidson

BYLINE: Roderick Oram, New York

BODY:

At its lowest ebb, Harley-Davidson turned out better advertising slogans than motorcycles. "Turn on your thunder," evoked the pleasure that generations of American riders experienced as they roared across prairies or stormed mountain passes on their Hogs - the raw and raucous remnants of the US motorcycle industry.

Mystique, however, was never enough. Just like Britain's motorcycle industry, Harley fell victim to Japan's first-wave assault on western markets. Left alone to fly the battered American flag, Harley saw its dominance of the heavyweight end of the market swamped by a flood of cheap but reliable Hog lookalikes from Honda, Kawasaki, Yamaha and Suzuki.

Now, four years after Washington slapped protective tariffs on Japanese manufacturers which it found guilty of predatory pricing, a revitalised Harley has surprised trade officials by calling for tariffs to be lifted. The initial five-year regime, which involved tariffs declining from 45 per cent in 1983 to 10 per cent in 1988, still has a year to run. But Harley says it is ready to go it alone.

"We're profitable again. We're recapitalised. We're diversified. We don't need any more help," Mr Vaughn Beals, chairman and chief executive, explained to trade officials.

"It's a man-bites-dog story," says Mr Michael Smith, the deputy US Trade Representative, who is used to companies coming back to ask for more, not less protection.

The sole survivor of 143 companies which built motorcycles in the US, Harley has finally regained its position as market leader for motorcycles over 850cc, supplying 34 per cent of vehicles registered last year. The California Highway Patrol, which turned to Japanese suppliers for a decade when Harley's fortunes reached their nadir, resumed purchases from Harley in 1984.

Profits are still meagre - net profit on sales of Dollars 295.3 m (184 m Pounds (pds)) last year totalled only Dollars 4.3 m (2.7 m pds). But in 1982, Harley's blackest year, the company made a loss of Dollars 25 m on sales of Dollars 210 m.

Harley feels it has achieved many of the goals it set itself in the first two phases of a 15-year regeneration plan, said Mr Beals, in an intervies in



(c) 1987 Financial Times, April 2, 1987

Milwaukee last week, where three Davidson brothers and a Harley went into business in 1903.

The first phase in 1975-80 saw heavy investment by its conglomerate parent, AMF, in new product development. But as production techniques remained grossly inefficient, poor quality was still a problem.

The second phase 1980-85, saw a crash overhaul of manufacturing along Japanese lines, following three main principles: just-in-time supply of components from suppliers or manufactured in house; statistical progress control to detect errors and tackle the quality problem; and employee involvement in production decisions at every stage. Flexibility was aided by a management buyout of the company in 1981.

Tariffs and a rising yen helped. Protection stopped "the hellacious escalation of inventory" by the Japanese who were importing at twice the rate of retail sales, says Mr Beals. In retrospect, it turned out that Harley was caught on its home ground in a war between Honda and Yamaha for world market domination.

But despite tariffs and a 40 per cent appreciation of the yen against the dollar, prices of Japanese machines have risen only 10 per cent in the past two-and-a-half years, Mr Beals says. Harley has pegged its cheapest model, accounting for about one quarter of sales, at Dollars 3,995 for the past three years, close to the Japanese equivalent. But prices of the rest of its output have risen 3 per cent to 4 per cent annually for the last five years and the top end at around Dollars 10,000 is nearly double Honda's prices.

Reorganising Harley's manufacturing process was a major challenge. Like other US companies, Harley was won over only slowly to superior Japanese techniques. "As late as 1979 we still thought the Japanese success was built on culture, company songs and low wages," says Mr Thomas Gelb, vice president of operations. Although Harley started quality circles in 1978 "it was 1981 before we figured them out," adds Mr Beals.

The emphasis was on using existing equipment better rather than costly investment in new machinery. The biggest problem was getting middle and lower managers to change radically their attitude to hourly workers. "It was as threatening as hell," says Mr Mark Tuttle, vice president of engineering, to give up the old attitude of "hang up your brains at the door: we want only your hands."

Important efficiencies were achieved by rearranging existing equipment. Today, metal tubes enter one end of the factory, travel through in a straight line and leave at the other three hours later as motorcycle frames, untouched by robots. Previously, the tortuous trip around the building, much delayed by excessive handling and storage between manufacturing stages, took 72 days.

It takes 45 per cent fewer hours to turn out a complete motorcycle while the number of machines leaving the production line with faults has fallen to 2 per cent from 50 per cent. Absenteeism among a workforce which has been cut from 4,000 in 1982 to 2,300 this year, is down to under 2 per cent compared with up to 7 per cent in 1981.



(c) 1987 Financial Times, April 2, 1987

"By 1983, people were coming to us to learn what we were doing," Mr Beals says. So far emoyees from 100 companeis, including the big three car makers, have attended Harley manufacturing seminars.

But the final goal of cost comparability with Honda has yet to be achieved - even though Harley's wage rates are lower. It is still behind Honda on, for example, die casting of engine components and fabrication of glass fibre parts.

"It's really a question of who can manage their plants better, Harley or Honda. Right now I'd have to give it to them. But by 1990 I don't intend to," says Mr Beals.

Harley is looking for other products to which it can apply its new manufacturing techniques. Its other main products are bomb casings and small rocket engines for the US military. "Our 1986 bomb bid was 29 per cent below the last bid five years ago of the only other manufacturer."

Public offerings last July raising Dollars 70 m in subordinated debt and Dollars 22 m in equity, diluted the stake of directors and officers to about 53.5 per cent and gave the company the funds to diversify. It chose recreational vehicles, the motor-homes and trailers which Mr Beals sees as "bigger toys for bigger boys" - a natural choice for ageing middle class bikers hanging up their helmets.

Last December the company bought Holiday Rambler, a top of the line manufacturer with models priced up to Dollars 180,000. This instantly gave Harley the three-way sales split it sought: motorcycles; recreational vehicles; and motorcycle parts, defence products and other manufactured items.

Mr Beals sees recreational vehicles as "a flywheel" in case the motorcycle market falters again. But the company is eager to preserve the Harley identity and continue to cash in on the intense brand loyalty built up over the years - "Our style is our game," he says.

Today's most popular and expensive Harley range, "softails," are evocations in chrome and two-tone paint of Harley's classic models of 40 years ago. One modern compession, rear suspension, is hidden to preserve the "hard-tail" look.

Harley's success will hinge on its ability to stay in tune with its loyal customers, who are on the whole older, wealthier and better educated than the average motorcycle rider. The challenge will come as the bulge of baby boomers, the next wave of sales prospects, grow into their 30s. For them, the Harley image may not be enough - they may demand a more modern machine.

Either way, age is no barrier. Mr Beals had never touched a bike until he arrived at Harley 12 years ago.

"I was 48 before I'd ever thrown my leg over one of those things. My wife thought I'd gone senile." The bug proved unbeatable. In 1985 he and his wife, along with other senior executives, rode 3,500 miles from coast-to-coast to raise Dollars 250,000 for the Statue of Liberty restoration fund.

GRAPHIC: Picture Looking good, Vaughn Beals, Harley-Davidson's chairman and chief executive, with Willie 6 Davidson vice president of styling



U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

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Exhibit 103

Harley " Asks End To Tariff

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'Hogs' Regain Sales Behind Duty Barrier

By Stuart Auerhach

"It's never happened before," Deputy U.S. Trade Representative Michael B. Smith said yesterday. "It's truly unusual. We don't know of any incident where this has been done before."

Hal Sunds: m, director of public affairs at the International Trade Commission, agreed, calling it "an unprecedented action."

At a time when increasing numbers of American companies are asking for government help in curbing imports, Harley-Davidson Inc. has done the opposite.

The company, the nation's only remaining motorcycle maker, asked the ITC to end duties imposed on heavyweight and super-heavyweight imported motorcycles one year before they would have expired.

"We no longer need tariff relief to compete," said Vaughn L. Beals Jr., Harley's chairman and chief executive officer. "We've taken a company that had been driven to the brink of disaster by our Japanese competitors' predatory practices and transformed it into a company that is not only financially viable, but a market leader as well."

Beals credited the four years of tariffs, which started at 45 percent in 1983 and decline to 10 percent in the final year that starts next month, with "saving Harley-David-son and the U.S. motorcycle industry from extinction."

President Reagan was heavily criticized in 1983 for departing from his free-trade principles to impose high tariss on large motorcycles, competitors of the \$10,000 "Harley Hogs" that the company was most famous for. His decision, at a time when the U.S. trade deficit was one-fourth the

See HARLEY, F12, Col. 1



Chairman Vaughn L. Beals Jr. tells the Hill of Harley-Davidson's comeback.

U.S. and Canada Seeking Veto Power on IDB Loans

By Hobart Rowen Warmington of Louising Wester

Treasury Secretary James A. Baker III said yesterday that the Umted States and Canada, voting together, should be allowed to block loans to Latin American nations by the Inter-American Development Bank to prevent "abuses" in its lending program.

Acknowledging a bitter dispute between the two North American nations and all the other countries in the IDB, Baker said that the question remains introduced on the eve of the annual meeting of the bank this weekend at Martia.

A high IDB official, reacting angrily to Baker's testimony, responded: "The U.S. Treasury is acting like the 20th-century equivalent of the British colonial office.

But Deputy Assistant Treasury Secretary James W. Conrow, chief operative for Baker on these issues, predicted in an interview that a compromise was unlikely in Miami,

but that shortly after meeting, "we'll have a take to Congress as I 1988 [budget] submission

In testimony before Appropriations foreign subcommittee. Baker sa

See BAKER, F3, Col. 1

'86 Tra **Deficit** A Reco

Current Accou \$140 Billion i

> By Martin Cru-Acres to !!

The deficit in the ma est measure of foreign to a record \$140.6 b. pushing the United S into the hole as the ... debtor nation, the g ported yesterday.

The imbalance in current account rose above the 1985 record billion. Last year er. pecially gloomy note terly deficit from Oct December hit a reco lion, primarily becaudeterioration in mer.

The current account not only trade in it. also in services, whi items as investment. ism and foreign aid.

Although the Unit run a deficit in mer for 15 of the past 16 rent account shows recently as 1981 : cans' earning on a ments were enough merchandise deficityears a flood of for wiped out the cush ed by investment e

Current account made the United St largest det::: conow hold more i than Americans held

The United St debtor nation in 1



stem

Description Dog

HARLEY, From F1

size it was last year, was described es the most protectionist action taken by a recent administration.

But yesterday, U.S. officials were exulting in the way Harley had recovered its balance. "This is the way our trade laws are supposed to work," Smith said.

Government trade specialists said they hoped Harley-Davidson's success in using existing trade laws would help dampen congressional pressures for tougher measures.

It also would be helpful, they said, in fighting foreign opposition to strengthening the international compact that governs world trade, the General Agreement on Tariffs and Trade. Harley-Davidson's decision to forgo the final year of tariffs, they said, will show that the U.S. government and industries are willing to roll back import relief.

The Harley-Davidson action belies the arguments of free-trade economists, who contend that companies never give up import protection once they get it, citing continued calls for trade protection over many years by America's textile and steel industries and the reluctance of U.S. auto makers to give up restraints on Japan's U.S. sales.

These economists say companies become flabby without competition from imports and fail to use temporary protection the way it was intended—to give them time to modernize and improve manufacturing techniques so they can hold their own against foreign products.

Beals said Harley-Davidson succeeded by changing its production methods to match many of those used by Japanese firms. He said, the company runs its plants with twothirds less inventory than in 1981, and has raised productivity 50 percent and cut defects 70 percent.

The changes included wage cuts, which Beals said were restored this month. He brought four leaders from the firm's unions to a Capitol Hill press conference and one. Glover Morgan, who had been laid off, said the trade relief "put me back at work, and glad of it."

Beals said Harley-Davidson had regained its position as the leader in motorcycles. super-heavyweight with 34 percent of the U.S. market last year, two points above Honda. "Believe me," he said, "being back on top is a damn fine place to be."

The company moved into second place in heavyweight motorcycles, Beals said, increasing its share from a low of 12.5 percent in 1983 to 19.4 percent last year. He said exports have risen and Harley was the only motorcycle maker in the world to increase production last year.

"Former owners of Japanese products are now buying Americanmade Harley-Davidsons," said Richard Teerlink, president of the firm's שיטגטגרערןפּ קיעוֹפוֹטָהֵ

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U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325



Exhibit 104

EXHIBIT

31ST STORY of Level 1 printed in FULL format.

The Associated Press

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March 17, 1987, Tuesday, AM cycle

SECTION: Business News

LENGTH: 643 words

HEADLINE: Motorcycle Maker Harley Calls for End to Import Restraints

BYLINE: By MIKE ROBINSON, Associated Press Writer

DATELINE: WASHINGTON

KEYWORD: Trade

BODY:

Harley-Davidson Inc., the only U.S. motorcycle maker, asked the government Tuesday to take back import restraints designed to help the company ward off its Japanese competitors.

Swaggering a bit at the success of its drive to become "lean and mean," the company proclaimed itself down to fighting weight and said it was ready to take on its Japanese rivals without the trade barriers.

"We no longer need the special tariffs in order to compete with the Japanese," Vaughn L. Beals, chairman and chief executive officer of the Milwaukee-based company, told a news conference.

"We've taken a company that had been driven to the brink of disaster by our Japanese competitors' predatory practices and transformed it into a company that is not only financially viable but a market leader as well," Beals said. "... Believe me, being back on top is a damn fine place to be. "Harley moved into second place in the heavyweight motorcycle market, increasing its share to 19.4 percent last year from a low of 12.5 percent in 1983, Beals said. He said the company has regained first place in superheavy motorcycle sales, raising its share from 23 percent in 1983 to 34 percent in 1986, two points above No. 2 Honda.

He said the company, which also has a plant in York, Pa., is now competitive with any motorcycle maker in the world and increased sales in the Japanese market last year.

In the current debate over Japanese trade barriers, the Harley example is often cited as showing that the United States has some similar ones of its own.

Sen. Robert Kasten, R-Wis., who pushed for the import restraints when the company first sought them, told the news conference that Harley's move shows "that the American worker is more than a match for any of our competitors overseas."But the company was on the verge of extinction in 1982 when President Reagan ordered five years of protective tariffs on Japanese motorcycles after



The Associated Press, March 17, 1987

Harley won an International Trade Commission case in which it claimed that the Japanese makers were using unfair sales tactics.

The tariffs, set to end in April 1988, were set at annual declining rates of 45 percent, 35 percent, 20 percent, 15 percent and 10 percent. In response to a question, Beals said "it would be hard to estimate" whether the company will be losing sales by surrendering its tariff but added that doing so appeared as an advantage or "I assure you we would not be giving it back." "It is kind of extraordinary, isn't it?" he remarked.

He said the company's success launched a capitalization program in 1986 and that Harley ended up "selling 40 percent more common stock and bonds than we originally anticipated. The capital led to acquisition of Holiday Rambler Corp., a producer of premium recreational vehicles.

In restoring the company's competitiveness, Harley officials said, they made substantial use of so-called Japanese management techniques as well as product innovation and a price cut. Beals offered thanks to employees who accepted a wage reduction, which he said has been restored.

Harley-Davidson does not import any motorcycles and has no plans to do so, according to Mike Keating, a spokesman for the company.

Harley-Davidson products, dating from 1903, are a near legendary part of Americana and motorcycle enthusiasts throughout the world have long hailed the quality of the company's huge "hogs, "which also have been the vehicle of choice among the Hell's Angels and other gangs celebrated in the Marlon Brando movie, "The Wild Ones."Heavyweight motorcycles are those with an engine displacement of 700 c.c. or more. Those in the superheavy class have a displacement of 800 c.c. or more.

Beals told the news conference that the tariffs were effective but would have worked faster if Japanese competitors had not dropped some of their engine sizes to 699 c.c. and taken other evasive steps.



U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: CARISTO

Exhibit 105

Touring, Sport & Street Motorcycling At Its Best March 1987 \$1.50 ICD 08671

Hog Holiday Testing a Trio of '87 Harleys

EXHIBIT

Turnpike Tales: Historical Highs and Lows of the Nation's Super Ribbons

American iron no longer dominates the racetracks or showrooms of the land. But with Harley-Davidson's FLST Heritage Softail, the enduring style of those halcyon days has returned. • MARK TUTTLE JR.

The Once and Future King

1949: The Marshall Plan to aid in the reconstruction of Europe is in its second year. Russia recently became the second country to detonate a nuclear fission device, and the Cold War gains momentum as the United States, Canada and the principal countries of Western Europe sign the organizational treaty forming NATO. In the following month, the USSR ends its futile Berlin Blockade, thanks in part to orders from President Truman, now in his second term, to airlift supplies into the area.

Down to the Sea in Ships, starring Richard Widmark, Lionel Barrymore and Dean Stockwell is playing at the theaters, and the movie capital, Los Angeles, just had its coldest winter since 1880. Coffee is 40 cents a pound, a 12-inch record album 85 cents, and Cowboy Slim, The Meakins and Daniel Boone are on television, soon to be in color. My parents are in their teens, and I'm just a gleam in their eyes.

Four-door sedans have replaced two doors as the largest volume body style in new car production since the end of the war. A shiny new Ford six-cylinder business coupe costs \$1,585.65, delivered, and disc brakes are offered on a production line car for the first time by the Chrysler Corporation. Harley-Davidson and Indian are the only American motorcycle companies to survive the war, but now, four years later, face a new challenge from the popular British imports.

Instead of producing a light and quick machine to compete one on one with the postwar British invasion, Harley sticks by tradition and its fast and reliable 61- and 74-inch big twins, saying that it knows what is best for American riders. Many agree—sales are about even with the imports. Back in '47 the knucklehead engines became the panheads with the incorporation of hydraulic valve lifters and aluminum cylinder heads. Now it's time for another change as a new Harley-Davidson makes its debut.

Though the big V-twin engine is untouched, the 1949 Harley 74 becomes the Hydra Glide by sporting a telescoping, hydraulic front fork in place of Harley's 40year-old girder design. The engine is bolted solidly to the hardtail frame, and rear suspension is still deemed unnecessary by the springer seat and large tires. Chromed steel covers dress the spots left bare by the absence of girder hardware. The huge, wraparound front fender is redesigned, and traditional Harley pieces, like floorboards for the pilot, dual-sided teardrop gas tank and horseshoe-shaped oil tank, complete the styling statement. If you shop around, a new Hydra Glide can be bought for \$950.

1987: The old man sitting near us in the restaurant perked up a little as we rose. "I want to thank you boys for buying American," he said as the four of us walked past, toward the front door and three 1987 Harley-Davidsons parked outside. The

fourth machine was a new, lightweight Japanese sport bike with a 16-valve inline four and liquid cooling. In the 38 years that have passed since the first Hydra Glide, Harry S. Truman has been succeeded by seven other presidents, the latest a leading man in more ways than one. Coffee is now three bucks a pound, a 12-inch record album by something called AC/DC, eight bucks. Nothing is on television, and, amazingly, my parents are still in their teens. Indian succumbed back in 1953, but Harley continues—still facing stiff competition, no longer from the British but from much farther east.

Harley-Davidson attributes its existence today to more than just the sales of its big twin. The smaller Sportsters, a new and reliable engine design, a lucrative military contract and several astute financial and political moves have ex-





panded the company and kept it affoat since the days of the Hydra Glide. But there are several groups, possibly generations, of loyal big-twin customers that Harley can count on as a source of reliable income. As long as it gives them what they want. One of those groups is particularly finicky. Rubber engine mounting? Forget it, the motor looks too weird bouncing around in the frame. How about cast wheels? Be serious. A disc wheel is okay: after all, some wartime models had 'em. Twin rear shocks? Well, the cushy ride is certainly welcome, but it's not worth the looks of the blasphemous boingers.

It is precisely at this group and any wishing to join it that H-D has aimed the Softails, and last year the FLST Heritage became their flagship. Minor mechanical changes to the 1,338cc Evolution drive-train—a more durable connecting rod big-

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: CHRIST

Exhibit 106

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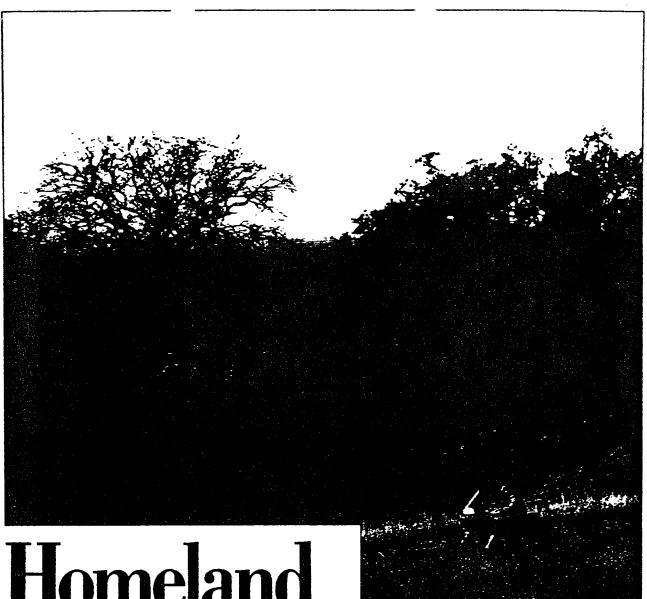
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Hog Holidays Testing a Trio of '87 Harleys

03



Turnpike Tales: Historical Highs and Lows of the Nation's Super Ribbons



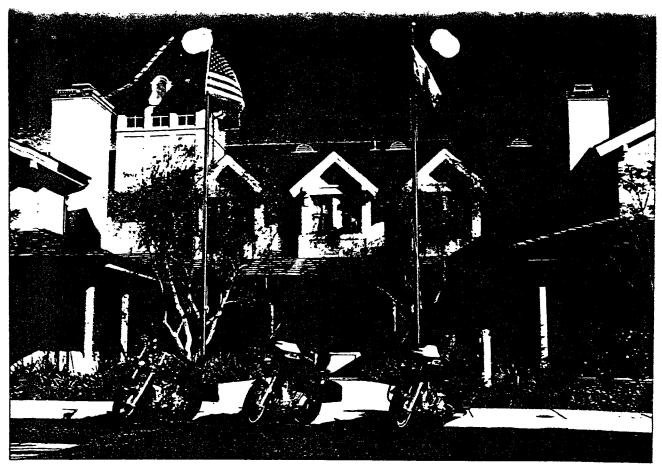
Homeland Heavyweights

The FLST Heritage Softail, FXRT Sport Glide and FLTC Tour Glide Classic are three similar but distinct ways to roll down the big-twin touring trail. ● BRENT ROSS

As a small boy, my favorite toys were American made. To stand up to my constant pounding, they had to be big, sturdy and steel. Foreign play things almost always failed me. Inevitably, when a prized toy crumbled from my abuse and its tattered remains were scrutinized, the name of some far-eastern country usually appeared. My parents drove American automobiles, our television was of U.S. origin, and in fact, everything of consequence was made here.

But as I grew older, more and more imported goods found their way into my world. As I entered my teens, products from Japan rapidly entered my house.





By the time I first swung a leg over a motorcycle, Japanese hardware had become the dominant form of two-wheeled life. That domination, however, wasn't complete then, and it isn't complete now. British bikes hover on the verge of total extinction, German machines confine their appeal to an affluent few, and Italian exotics appear more often in the pages of magazines than on the road. Yet one stubborn Western builder refuses to admit that the Eastern sun has truly risen: Harley-Davidson. Even in the touring arena, where the contest often seems to be over, Milwaukee is alive and kicking.

To find out how strong those kicks really are, we traveled with three Harley-Davidson tourers this month.

Our destination, Los Olivos, a small ranching and farming community outside Santa Barbara. California, was perfect for this test. The area includes terrain that closely resembles Harley's homeland in the Midwest, as well as the tight, twisting backroads for which California is famous.

Because I have spent many enjoyable hours aboard an FLTC Tour Glide Classic in the past, it was the one I chose to start out on, and since I tend to over-pack, I figured I'd need the extra room. Mark's tour began on the FLST Heritage Softail, which was equipped with optional soft saddlebags and a windshield. Tash's morning saw him on the FXRT Sport Glide. Denis brought along a Kawasaki Ninja 750R to provide a high-tech sport-touring point of reference.

All three Harleys are powered by the same 80-inch Evolution motor and are even set up with the same carburetion and ignition systems. Transmission ratios are identical, as are the final drive ratios and their method of transmitting power. All three roll on 16-inch wheels at the rear and are connected to the transmission with a Kevlar-reinforced belt. The Softail and the Tour Glide's front wheels mirror the rear ones, but the Sport Glide rides on a 19-incher.

From here the differences are more abundant and significant. The FLTC and the FXRT share the same frame and cushion their engines in rubber, while the FLST has a solid grasp of its 80 incher. The FLST, in keeping with its nostalgic theme, features a triangulated swing arm to give it the hardtail look. It controls the "Softail" with two shocks slung beneath the transmission. The FLTC and the FXRT both use conventional twin shock set ups with adjustable air pressure. The Heritage and the Tour Glide both use stubby, '50s-style forks, but only the Tour Glide has an antidive system and provisions for air adjustment. To keep pace with its name, the Sport Glide has the more up-to-date looking fork, also with anti-dive and adjustable air pressure. When put to use, all the systems work equally well. Since none of them have much travel at the rear, they are stiffly sprung to prevent bottoming. The heavy rates are fine when heavily loaded or carrying a passenger but are otherwise harsh. The front ends are lightly sprung and

damped, so there is a lot of front-end dive during braking.

Both the FXRT and the FLTC feature AM/FM cassette stereo systems. Before we crossed the *Rider* parking lot, I knew that they were not a match for systems found on other luxotourers. To overcome the rumble emanating from the dual pipes. the stereo had to be turned up so high that the high distortion level turned a George Winston dream into a Van Halen nightmare. But different years may come to a different conclusion. Tash actually liked the sonic performance of the Sport Glide's stereo.

We pulled onto the 101 freeway and set a leisurely pace. After ambling into Santa Barbara, where we made our first fuel stop. everyone remarked how relaxed the big H-Ds were to ride. On the Harleys no one felt the need to perform or competenice. Out of Santa Barbara we picked up Painted Cave Road, the first rural road of the outing. It starts out gently bending its way through grassy fields and scattered oaks. On a clear day it gives an occasional glimpse of the Channel Islands. About three quarters of the way up Painted Cave Road is the sight from which the road earned its name. Through an iron gate that seals the entrance to the cave, the artistry of California's early Chumash inhabitants can be seen. The road from the cave up (about a 10 mile stretch) becomes downright knarly. It switches back on itself numerous times and each switchback has a nearly vertical face. The top section is also lined

in thick trees, which shadow the remake the corners deceiving.

Even though the FLTC is the heaviest of the bunch with its full fairing, travel trunk and other trimmings, it is the easiest to maneuver and, for some unknown reason, the fastest. It weighs more and makes less power because of the quieter mufflers and is geared the same.

The FXRT and I didn't get along at all in the early portion of the trip, but we reached an understanding later on. It has a much higher center of gravity than either of the other two, making it a handfull on those tight switchbacks. Judging from the spec chart, you would think the FLST should win a nimbleness contest, but in practice it doesn't. Its lean angle is severely limited on the right side by the mufflers and floorboards. Even worse than cornering clearance problems was a carburetion glitch. When we first got the bike. the glitch would cause the engine to stumble just off idle. It's cleared up since the Los Olivos tour, but was especially troublesome if it happened while trying to negotiate one of these tight switchbacks that are better suited to an XR350R. However. since all the bikes are powered by the same motor, it may have been just a quirk of our test machine and may not be present on all Softails.

We continued wandering through the hills at a relaxed gait. Whoever happened to be riding the Ninja would rush ahead at an energetic million mph or so. That is one of the things that makes Harley-Davidsons so neat. You don't have to be going over a hundred or be banked over at 45 degrees to have fun. After all, I'm American and proud of it; I'm on an American made machine and touring on American roads that I've never seen; why not take it easy and enjoy the ride?

Passing numerous ranch houses and long, white picket fences which run the perimeter of horse-filled pastures, we pulled into Los Olivos. We ate lunch and set out to explore the small town. If your pockets are full of pictures of presidents, the town is fun, with its many art galleries, wineries, and fancy hotels. But the place is really a facade. It is no longer the old American farm town I'd hoped to find, but a getaway spot for monied Santa Barbarans instead. Even the name Los Olivos (the olive groves) is misleading. I didn't see one olive tree the whole time I was there

Fortunately, the Harley-Davidson name still rings true. Though the company's products have been refined over the years, and a completely new powerplant has replaced the V-twins of yore, nothing has been done to impair the character of these very genuine articles. A Harley is like an old country store with fresh paint and new plumbing that still sells groceries. They haven't been given false charisma the way a fancy one-year-old restaurant made to look like an old country store has. The

restaurant may be fun. but it's not real.

The afternoon found us riding Figueroa Mountain Road, a pine-tree-lined road that Mark discovered. It is one of my favorite local roads. Figueroa Mountain twists and is barely wide enough for two Fiats, but it doesn't matter, because we never encountered two Fiats. Several tributary paths branch off from the main road and lead to various campgrounds and picnic spots. Wildflowers were in bloom and rabbits and squirrels darted across the trail that passes for a road, while the Harleys trotted along. (The road convinced Tash that dual-purpose touring could be a blast. so look forward to an upcoming tour on 600cc singles.)

As the sun set and fog rolled in off the ocean, we made our way back down the

mountain to Mattei's Tavern in Los Olivos. Mattei's Tavern is real, no doubt. It is a 100-year-old former relay station for pony express riders. The Pony Express is gone. but the old-time flavor is still present and unfaked. We sat by the fire in the lobby for an hour or so without being harassed by impatient hosts. Once our bellies were full, we blasted the seven miles over to Solvang for the night.

The full-dress FLTC proved itself every bit as capable a tourer as any of the big rigs from Japan. The Tour Glide and the Sport Glide are both smooth in top gear at speed but buzzy while shifting through the gears. The Heritage Softail, with its solid mounted mill, shakes at all engine speeds. All offer good wind protection, fair

See page 68

Bike	Harley-Davidson FLTC Tour Glide Classic	Harley-Davidson FXRT Sport Glide						
Retail Price	\$10.395	\$9 .549						
Warranty	12 months, unlimid, miles	12 months, unlimtd, miles						
Service Interval	500, then every 2,500 miles	500, then every 2,500 miles						
	Engine							
Type	Air-cooled, transverse, 45-degree V-	Air-cooled, transverse, 45-degree Vitalian						
.	twin	1.338cc						
Displacement	1.338cc	1,338CC 88,8 × 108,0mm						
Bore & Stroke	88.8 × 108.0mm	OHV, 2 valves per cyl.						
Valve Train	OHV, 2 valves per cvl. 38mm Keihin butterfly with accelerator							
Carburetion	pump	bumb						
Lubrication System	Dry sump, 4 gt. cap.	Dry sump, 3 qt. cap.						
Ignition	Electronic battery coil	Electronic battery coil						
ignition No. of Gears	5	5						
Final Drive	S Belt	Belt						
I HIGH UTIVE	LPC IS							
	Electrical							
Charging Output	308 watts	308 watts						
Battery	12V 20AH	12V 19AH						
	Chassis							
Frame	Double downtube cradle type	Double downtube cradle type						
Suspension, front	41mm stanchions, adj. for air pressure	35mm stanchions, adj. for air pressure						
	with anti-dive	with anti-dive						
rear	Dual shocks, adj. for air pressure	Dual shocks, adj. for air pressure						
Brakes, front	Dual discs	Dual discs						
rear	Single disc	Single disc						
Wheels, front	Cast, 3.00 x 16 in.	Cast. 2.15 × 19 in. Cast. 3.00 × 16 in.						
rear	Cast, 3.00 × 16 in.	MM90 H19						
Tires. front	MT90 H16	MT90 H16						
rear	MT90 H16 62 94 m.	64.7 in.						
Wheelbase	62.94 m. 29.6 m.	27.75 in.						
Seat Height	779 lbs.	683 lbs.						
Wet Weight	437 lbs	402 lbs.						
out capacity		1.085 lbs.						
GVWR	1.216 ibs.	1.003 103.						
	Touring Performance							
Fuel Capacity	5 gals.	3.8 gal.						
Gals. to Reserve	4.3	3.4						
Average MPG	55	55						
Range to Reserve	236 miles	187 miles						
RPM at 60 MPH	Indicated 2.800	Indicated 2,900						
	Instruments							
	Speedometer, odometer, tachometer, tripmeter, gauges for volts, oil temperature, oil pressure, fuel; indicator lights for neutral, high beam, turn signals; warning light for low oil pressure; analog clock	Speedometer, odometer, tripmeter, tachometer; indicator lights for neutra high beam; warning light for low oil pressure						

itself through the bars to your hand arms and then to your whole body, creating little islands of fatigue which join together to form a bigger mass of latigue. All of which spells a large part of the difference between a heavyweight touring machine and a lightweight pretender. But after the first couple of days, and with the right attitude, touring with a lightweight can be downright satisfying.

Sagebrush flatlands, vermilion cliffs, deep canyons, historical ruins, colorful trading posts, friendly Indians; all presented themselves as day followed day and the miles mounted up. Finally, nine days had passed, and the trip odometer had gone clear back to the triple zero mark. By that time, the haunches had quit complaining so much, the skin had toughened itself against the sun and wind and maybe I was feeling a little like an old hand out on the prairie. As the Flagstaff city-limit sign whipped by on the right, I was almost sorry to see it all end but, there's a time for all cowboys to come in from the range. 🗍

SLUMBERBAG

from page 63

The bag itself is constructed of heavy nylon around the mattress and a lighter nylon for the the upper filled with Hollofill for insulation. While down takes up a lot less space, it is no more effective than facial tissue when wet; Hollofill will provide some protection in the same circumstances. Instead of the usual nylon taffeta lining, which will stick to your skin in humid conditions, the Slumberbag features flannel, a material much more reminiscent of bed linen.

I slept like a rock. I had no chills that night, and I felt great the next morning with no back pains or body aches. My worries about the brand were needless. My bed at home wouldn't have been more comfortable.

The test bag was a prototype and so had a few glitches that the importer promises will be rectified. The zipper blew out halfway through the night, requiring some pliers to reset. The production models will allegedly have a much heavier duty zipper in both right and left hand versions so two Down Unders can be zipped together, just in case you have company. A tear had started to form at the valve junction in the nylon. There's no risk of air loss, but it's an annoyance nevertheless. These high-stress areas will be reinforced on production models.

At \$139.95, jincluding freight and handling, the Down Under Slumberbag is an affordable alternative to the much more expensive Survivor III, which is also a sleeping bag and air mattress combination, but features a built-in inflatable tent (no poles). The pump on the Survivor II! is self contained, and the whole works fits into an attached carry bag which takes up less space than the Down Under's duffel. The Survivor III's price tag of \$360.95 is a lot of money to pay for a little convenience, though. Personally, I still prefer a separate bag, pad and tent. I can stash the individual pieces where space allows rather than taking up the entire trunk of a touring bike or lashing an ungainly lump to my back seat.

The Jolly Swagman Down Under Slumberbag comes in five color combinations and is available from Jolly Swagman. 2211 Wilshire Boulevard, Suite 805, Santa Monica. California 90403. —Bob Price

HEAVYWEIGHTS

from page 41

seats and ample brakes. The FLST is most suited to being a part-time tourer with its smaller windshield and soft bags. Everyone on the trip agreed that the FLST Soitail Heritage Special was the best looking bike of the group.

All three suffer with poor headlights. Harley's press kit states that in the beginning, H-D used tomato cans for carburetors. Now in 1987, I think they brought out the tomato can again and added a candle and are calling it a headlamp.

Morning came, breakfast went and soon we were homeward bound. We each wanted to take a different route home so we split company. I took 154 straight over to the 101 and home, but along the way, I stopped to watch part of a polo game at the Santa Barbara Polo and Racquet Club. Starting cold H-Ds is easy; keeping them running isn't. Non-evolution Harleys used to smell of raw gasoline when first started, reminding me that I should mow the lawn. The new ones don't smell, but they don't want to idle until warm either, and sometimes they smoke terribly. Once I started the FXRT in front of a quaint little bakery in Solvang and unknowingly pumped the whole place full of exhaust fumes before the owner shooed me off.

But it's these little imperfections, plus the styling and the throbbing of the big 45-degree twins that keep Harley-Davidsons living on. In an age of replicas, imitations and outright fakes, authenticity is a valuable characteristic, a characteristic Mikwaukee's motorcycles have in great abundance.

KING from page 38

Floorboards in a forward position and mounted to anything but a full-dress tour-

machine are kind of novel and fun. I'm rit side-to-side on my opinion of the Heritage samples. The floorboard on the left is unobstructed by the heel-and-toe shifter and provides a good, vibration-isolated rest. But on the right the air cleaner keeps you from resting your foot squarely on the board, and you have to ride with your foot underneath the brake pedal. This wouldn't be a problem if the single front disc brake could haul the 664-pound wet bike down to an emergency stop by itself. Unfortunately, it's not up to the task. Once you get vour foot out from underneath the pedal to apply the rear brake, it delivers ample stopping power in a linear fashion. The pedal could use a gusset where it's welded to the lever, however; it's starting to bend down toward the floorboard.

While the fork shares the appearance of the original Hydra Glide (actually of the

Harley-Davidson **FLST Heritage Softail**

E	ngine
Type	Air-cooled, transverse 45-degree V-twi
Displacement	45-degree V-W:
	nm0.801 × 8 88
	OHV. 2 valves per cv
	8mm Keihin butterfly wit accelerator pum
Lubrication System	Dry sump. 3 ot. car
	Electronic battery-co-
No. of Gears	
Final Drive	Be
Ele	ctrical
Charging Output	308 watt
	12V 19A

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Touring Performance

Fuel Capacity				_		٠			 . 4	.2	gal
Gals. to Reserve				_					 		. 3.7
Average MPG									 		42.5
Range to Reserve											
RPM at 60 MPH									 		NA

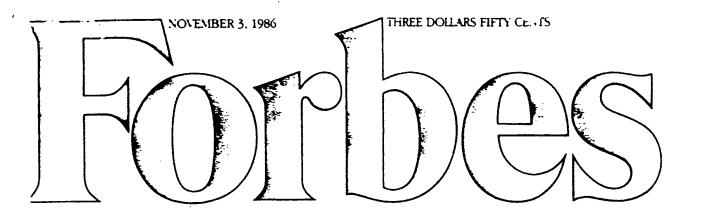
Instruments

Speedometer, odometer, tripmeter; indicator lights for neutral, high beam; warning light for low oil pressure

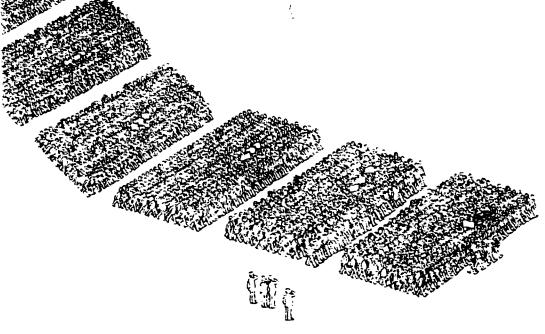
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Exhibit 107



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An inquiry into the wealth of the nation

Our cover story—"Niche list"—is about the best small companies in the U.S., but it is also about what keeps this country relatively prosperous in the midst of all kinds of economic turmoil. Despite the terrifying decline of so many major industries, such as steel, employment keeps growing. Five years ago 102 million people had jobs; today 112 million do. This fortunate trend owes most of its impetus to the constant springing up and fast growth of hundreds of thousands of small businesses. It

is the cream of this corporate crop that we celebrate in this annual report on the best small companies in the U.S. Some of these companies will reach early maturity, but others will grow to become big companies, replacing corporate giants that have become old and tired.

This year FORBES draws an analogy between this teeming population of small businesses and Adam Smith's famous pin factory, where specialization led to tremendous gains in productivity. Just as specialization among types of labor led to vastly increased productivity in Smith's



Adam Smith

time, so does corporate and marketing specialization lead to economic growth and to better satisfaction of consumer wants in our own times. Business America is a pin factory, teeming with companies of every size and description, filling every want and creating new ones.

We suspect our analogy would please the old Scottish moral philosopher. We are experiencing in this country benefits that could never come from central planning. The proliferation and vitality of smaller businesses here come from the energetic working of individual self-interest, responding to signals from the marketplace and, in the end, enhancing the common economic good. The cover feature, prepared by Steve Kichen and Matthew Schifrin, begins on page 160.

Which brings me to another major article in this issue, "Stores for our times." In the giant pin factory that is economic America, yet another form of economic specialization is spreading fast: the convenience store. Lisa Gubernick chronicles the rise of this retailing phenomenon and explains why both the fast-food and supermarket industries feel threatened. Starts on page 40.

Jan W. Dfire

THE HOME HAS A NEW HEARTH

pretty much gone up the chimney. That is, if it still had a chimney to go up.

Home and hearth were one and the same for as long as there has been shelter in which to hang one's hat, eat and sleep. No more. There are more new homes than ever, but try finding one with a functioning, real hearth. You pay umpteen Sthousands in urban areas, but odds are there will be only a walled recess into which you can put a bulblit coal or wood fire simulator.

The sad fact is, even where there is an able-to-work fireplace, it no longer figures consequentially in life at home.

The new hearth is the TV set. Here's where the house's heart now is. It's always warm. Somebody's always listen-

For the nostalgic it's to weep over, but the hearth has ing. It's always on, even if no eves are looking. The kids cluster around it whether they're doing homework, snacking or what have you.

> Unlike the fireplace, the TV set doesn't smoke usually there's no chimney to be swept and the chimney sweep 5 been replaced by an acrial installer.

> On the whole, though when you think about it, the substitution of the TV box for the fire in the fireplace is no big bad thing. Through the miracle of the tube, nothing no one, no place cannot be instantly present before nearly everyone, nearly everywhere.

It's made us more aware of the oneness of our world more aware that the human soul is no one's monopoly

There's a lot going for the new hearth. But it is sad to see the old ones going the way or their smoke.

IF DAVID HARTMAN LEAVES "GOOD MORNING, AMERICA" NEXT FEBRUARY

as per that recent announcement, its Nielsen is going to reflect how much his fellow Americans will miss him.

David's special, and daily's better than occasional Specials.



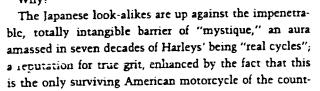
THE ULTIMATE TRIBUTE TO HARLEY-DAVIDSON MOTORCYCLES

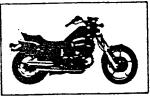
motorcycle market: They keep churnin' out Harley lookalikes.

Though these doubtless take some sales from Harley,

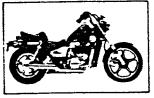
the technically top-notch bikes produced by Honda, Yamaha, Kawasaki and Suzuki have not been able to dent much the hardcore "Hog" lovers. ("Hog" is a descriptive term of affection for big Harley-Davidsons in cycle circles.) This is a unique instance where superb quality,

lower price and super marketing simply are not enough. Why?





) amaha

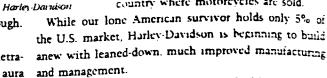


Honda

comes from Japanese makers, who have 94% of the U.S.'s less number that have come and gone in the U.S. since the two-wheels-and-motor first appeared, the sounds of the motor itself, the satisfying thunk of its shifting gears. the throaty noise of accelerating-all are sounds only a

Harley can make.

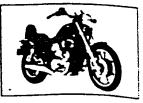
Interestingly enough, in Japan Harleys have the highest status (see p. 235). though prices there (around \$22,000 for a model that costs \$10,000 here virtually shut them out. It's the same in every country where motorcycles are sold.



No matter how well done the look-alikes there's a Harley hard core that isn't for weaning and a growing number of younger bikers who want "the real one."



MEIN



LUIDA

Tales of the Capitalist Tools in Japan, land of geishas and Godzillas, Walkmans and shoguns, cameras, kamikazes, karate, samurai, sushi, tea ceremonies and 240Zs.

Rising sun meets rising temple and riding capitalists

Well, there they were, all right, just like the man said.

Lined up all in a row, asparkle in the brilliance of an early Tokyo morning, 60-odd full-dress, chrome-bedecked, baroque, baadaass Harley-Davidsons. And right beside them, ca-

ressing, polishing and mainly just showing off these widewheeled beauties, 60-plus members of the All-Japan Harley-Davidson Owners Association, also known as the Kings of the Highway Club, also known as the Harley Brightly Society.

The Japanese Harley riders were done up in California Highway Patrolmen uniforms, complete with white pants tucked into knee-high boots, starched blue shirts, thin ties and gloves folded neatly under epaulettes. They had police-style helmets, too, with real police badges on them.

But a little more about the bikes: Many had sirens and revolving lights. One was fitted out with a hand-tooled Western saddle that would have done Trigger proud. An-

other had a television set in the sidecar. Several were equipped with cellular telephones and compact disk players.

The cheapest had to cost double the U.S. price. Several would have topped \$50,000. "More expensive than a Cadillac limousine," one club member said, proudly slapping the fender of his hog—as massive Harleys are affectionately termed.

These well-to-do desperadoes, along with hundreds of other less eccentric folk, had congregated in a Tokyo suburb last July 26 to meet and greet Malcolm S. Forbes and his All-American Motorcycle Gang, the Capitalist Tools, who were beginning the FORBES Friendship Tour of Japan.

The FORBES voyages—by Harley Davidson and hot-air balloon—have by now become famous far beyond the realms of bikers, balloonists and businessmen. I realized that when I mentioned to a neighbor, a Long Island housewife, that I was off to motorcycle in Japan, and her unhesitating response was: "Oh, just like Malcolm Forbes."

In recent years, Capitalist Tool teams

By Clifford D. May

Photography by Alain Guillou/Gerard Bahmchet Robert Forbes have journeyed through Russia, China, Pakistan, Egypt, Thailand, Malaysia and all of Western Europe—places where, as MSF put it, "we had an interest and thought we might not do too much damage."

Part of the reason for the current odyssey, MSF was soon to explain to about 75 million Japanese at innumerable receptions and in television, magazine and newspaper interviews, was to demonstrate, during a time of rising economic friction, the underlying warmth and communality that the American and Japanese people feel for one another.

As for the friction, that is largely the consequence of Japan's black belt mastery of the martial arts of capitalism. "Japan probably has the strongest economy in the world today," MSF pointed out, "with a per capita GNP that will soon exceed that of the U.S."

Japan's factory wages are already 12% higher than America's at recent rates of exchange, according to a

Japanese study. There are now 1,860 Japanese subsidiaries in the U.S. Japanese products crowd American stores, garages and households.

Meanwhile, the sale of American goods and services to Japan has not kept pace, and that has led to pressures in Washington—pressures likely to increase sharply as the electoral season draws near—for tariffs, quotas and other restrictions designed to lessen the huge trade imbalance.

The debate is complicated, its implications far-reaching. But "it can best be resolved in an atmosphere of friendship," said MSF, "with all of us recognizing that the relationship between Japan and the U.S. has become a matter of enormous consequence to the entire world."

The other, more obvious reason for this journey was just to have a spectacularly fine time exploring a society that, despite its commercial penetration into our daily lives, remains remarkably murky in the American imagination, a kaleidoscope of geishas and Godzillas, Walkman, and shoguns, cameras, kami-

West is China, LA is Far East



kazes, karate, samurai, sushi, tea ceremonies and 240Zs.

Along with those symbols go such apparent anomalies as Japan's renowned postwar passion for baseball and the All-Japan Harley-Davidson Owners Association: familiar forms with exotic content, American images reflected in funhouse mirrors.

A hot-air balloon—the one built for this tour was in the shape of the Golden Temple of Kyoto-would serve as our sky-high greeting card and letter of introduction. The motorcycles, as any rider can tell you, would provide an intimacy with the environment that no other means of transportation can begin to approach.

etting to Japan was certainly part of the fun. Most of the gang flew over on the Capitalist Tool. FORBES' "money-green and gold" Boeing 727.

Once you've flown in the Tool, going merely first class on a commercial carrier seems about as luxurious as riding the New York subway on a Monday morning. Travelers recline in oversized leather easy chairs in a plushly carpeted salon. A telephone folds out of the wall by MSF's recliner. A video machine with several headphones is

available for entertainment. The meals are not quite your standard airline fare: I recall in particular the poached salmon, the filet mignon with wild rice, the Château Margaux 1978 and the chocolate candies oozing

Armagnac.

Overall, it was less like flying than like spending the day in the living room of a gracious host. When it was time to leave, however, we found ourselves halfway around the world at Tokyo's Narita Airport, where signs on the luggage carts touched on the tour's theme: "Import now. Imports bring us together."

Heading toward town by bus I caught sight of a fantasy castle right out of Disneyland. "What's that?" I asked Machiko Ishibashi, a Japanese journalist who would serve as our guide and interpreter. "Disneyland," she answered. "Tokyo Disneyland. It's been open about three years now. It's very popular."

The city, as we bored slowly into it, creeping along in dense traffic, seemed huge, modern, crowded, unfathomable, yet somehow orderly, too. Gas station attendants wore uniforms, colored shirts, bow ties and caps. Taxi drivers wore white shirts, ties and white gloves. The taxis had little Japanese lanterns on the roofs, and doors that opened and shut by driver-controlled buttons.

There were gabled temples, mysterious shrines and houses with glazed roofs. But these structures were overwhelmed by the many buildings resembling concrete filing cabinets, all apparently designed by the same school of architecture that has given the world most of its hospitals, high schools and minimum security prisons.

We passed billboards advertising Coke and Rambo—at least some American products have caught on-and watched joggers out for their afternoon run by the massive stone wall surrounding the palace of the emperor: the very same emperor who ruled this island nation when World War II began.

"What a stroke of conciliatory brilliance it was on the part of General Douglas MacArthur to have recognized the emperor's role within Japanese culture and to have left him in place at the end of the war," commented Christopher Forbes (better known as Kip), associate publisher of this magazine.

Kip was often to occupy the passenger seat on the motorcycle driven by his brother Robert L. Forbes, an executive in the corporation's real estate division, who coordinated the Friendship Trip.

Other members of the gung-ho goodwill gang were Curtis Cleland-also (confusingly) nicknamed Kip, FORBES director of physical fitness; Denny Fleck, director of FORBES' Balloon Ascension Division, Jim LaCirignola FORBES' International ad director; Nick lenatsch, motorcycle racer and features editor of the California-based Motorcyclist magazine; Kenichi Katayama-just plain Ken to us—a former Japanese motorcycle racer now working for RCA in Japan; Dave Stein, super bike mechanic in charge of the Forbes cycle fleet, and myself, the Keeper of the Log.

ur first full day in Japan was spent mostly attending Oreceptions, press conferences and meetings. At one point I arrived late at what I thought was a gathering of local reporters. About 70 people sat in a small auditorium across from MSF and the gang. It turned out this was only the staff responsible for organizing and conducting the FORBES Friendship Tour.

> A multitiered management chart was displayed. Teams rose and bowed as they were introduced. Here was the two-man "weather observation staff" (please hold your applause until the endl; the four-man reception team; the seven-man headquarters team; the three-man general affairs team. And so it went.

> "Talk about orchestrated," said Bob Forbes. "Sneeze and there will be somebody in place to say gesundheit."

> We left the hotel at 5 on a Saturday morning-MSF tends to be an early riser-as a cool gray dawn was breaking over the capital. We headed toward the suburban soccer field where the Golden Temple balloon was scheduled to make its first flight.

MSF had thought long and hard about what sort of balloon would be most appropriate as a symbol for this tour. Mount Fuil came to mind first, but a structure with a

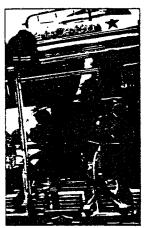
broad base and a sharp peak would make a poor flying machine. A replica of the Buddha was considered and rejected. It might give offense to deflate and tread upon it. At last came the idea of the Golden Temple, Kinkaku-ii. Japan's most famous house of Buddhist understanding and practice.

Like MSF's other special balloons, this one had been built by the English master craftsman Don Cameron. Cost: about \$70,000. It had been sent directly from Britain to Japan with no opportunity for MSF to test it. Therein lay seeds of danger, since Forbes-san no less than our Japanese hosts would have viewed it as a serious loss of face if the balloon had failed to fly properly.

In the event, however, the balloon could not have behaved better. At 7:02, with spectators and television crews on hand, MSF and Denny caused the Temple to levitate into a foggy sky.

The rest of us hopped on the chase bus and raced through the narrow suburban streets after it. The immediate neighborhood appeared comfortable though crowded. Small houses were pressed together cheek by jowl, some separated by walls or fences. Cars sheltered under eaves. Gardens grew on rooftops.

I pegged this as a middle-class area, but Machiko said no. the neighborhood was largely inhabited by wealthy businessmen and foreign diplomats. The average price of a



In Japan, a "Harley is a wild horse"

בני ון קדמייקור או נקקקים



house here, she estimated after consultation with other staffers, would he between \$750,000 and a million

Just before 8 o'clock, the Golden Temple settled easily on the bank of the Tama River, a placid stretch of water that wends its way through the outskirts of Tokyo. MSF was surrounded by gaggles of admiring children and batteries of cameras, two of his favorite categories of companion.

"I thought, Why is the Golden Temple in the sky?" " said Masashiko Tanaka, a 12-year-old. "It should be in

Kyoto."

"It was just like ET," 10-year-old Shinobu Tomaki said enthusiastically. "Like when they flew on the bicycle. It must be wonderful to see the

ground from the sky."

Many of the kids, I noted, wore T shirts with inscriptions written in English. Or something closely akin to English. For example, one read: "Come on Sport Stage. Healthy Body and Clear Mind. Be In High Spirit." On a pair of jeans was a patch reading: "Ever blue jeans. All ever blue products can bring you entire satisfaction."

Now, in truth, we had already had some warnings about the mutations that English has been undergoing in Japan. Bob Forbes had sent each member of the gang a copy of the novel Ransom, by the talented young American author Jay

The main character is a young American studying karate in contemporary Kyoto. Among the conundrums he ponders are shopping bags emblazoned with cryptic English messages such as "Funky babe: Let's call a funky girl 'funky babe.' Girls, open-minded, know how to swing. Love to feel everything rather than think. They must all be nice girls." So this was real, not just a fictional invention.

It was also in Ransom that we had been introduced to the All-Japan Harley-Davidson Owners Association, which, McInemey wrote, is "composed of some thousand bikers, most of them pillars of the community throughout the working week, who on Saturday morning dressed up in Los Angeles Police Department uniforms to ride their Harleys en masse."

Our first meeting with the A.J.H.D.O.A. had come that Saturday afternoon. Yoshiaki Ando, the club's 67-year-old president, explained the existence of the organization by noting that "hobbies have no borders."

The club, he said, has 650 members in 16 chapters throughout the country. Why did he prefer a Harley-Davidson to the many fine and less expensive Japanese motorcycles? "A Harley," he said, "is a wild horse. Japanese bikes are all tame."

The riders eagerly posed for pictures with MSF and seriously examined our bikes as well as each other's. "Just like American Harley owners," noted Bob. "They like to case each other's Harley trimmings."

Three o'clock Sunday morning came around awfully fast but all of us were awake by then, heading out of Tokyo once more. Even at this ludicrous hour there were plenty of cars and trucks on the roads. We passed a skyscraper with a giant replica of a bulldozer on its roof and another building in the shape of a rocket ship. "Space Shuttle



Never a pothole

Hotel," read the sign.

Misty mountains, the kind seen in Japanese paintings, came into view. The roads narrowed. The smell of coffee wafted temptingly from houses and restaurants. We passed another hotel, this one labeled "Pasadena: That's Where The Night Begins."

Our destination was Mount Fuii. and it was Denny who, around 5:30, first spotted it, a charcoal outline against a burnished metal sky. At 12,386 feet, Fuji is less than half as tall as Mount Everest (29,028 feet), and considerably smaller than either Kilimanjaro (19,340 feet) or the Matterhorn (14,692 feet). But it stands alone rather than within a range of towering peaks and so gives an impression of Alpine majesty.

The road twisted up and around sharply. The landscape was lushly green, Japan's rainy season having just come to an end. A sign advertised "HOW," which turned out to be the acronym for Humanity Opening World. And that, I was later told, is the name of a ski resort. No one had any further explanation.

At the foot of Mount Fuji, statues of animals in police uniforms pointed the way into a parking lot and toward

Nipponland, an amusement park.

Denny shouted: "I've got a song here for Mount Fuji, the Mount Fuji song." His motorcycle just happened to be equipped with a computerized synthesizer capable of blaring out any of about 70 programmed melodies. No member of the A.J.H.D.O.A. could match that.

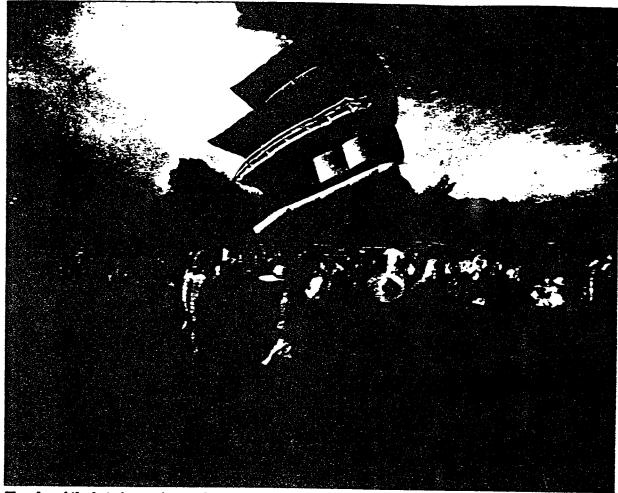
Representatives of Japan's leading balloon club were already on hand, laying out about eight conventionally shaped balloons, most of which would go up attached to tethers.

Once again Kinkaku-ji rose smartly. And as the wind died out, the Temple hung in the sky alongside Fuji as if on a great hook. The mountain peak was now completely cloudless, unusual at this time of year. Whatever gods rule on Mount Fuji evidently know a photo opportunity when they see one.

The clouds had reclaimed the mountain by 8:15 when we rolled out. Our next stop was a rural home for the mentally retarded, where we showed off the bikes to an enthusiastic and appreciative audience. I read the T shirts. One said: "Big Man's Life Style. Cat Drink Whiskey."

MSF made a donation of 1 million yen-about \$6,000to the home. It was actually his second philanthropic gesture of the trip. During the cross-Pacific voyage we had put down for fuel on Wake Island, site of the famous World War II battle, and now a U.S. air base. There is little in the way of diversions on Wake, a tiny atoll with no indigenous population. The base commander mentioned that the troops hoped someday to get a satellite dish so they could receive American television. So far, however, that appropriation had not been included in Reagan's expanded defense budgets. To the commander's astonishment, MSF promised to send the base a dish as a present.

We drove southwest among neat fields, small villages and large industrial parks. Traffic on the two-lane highway grew heavy and the air became muggy and hot. Denny played "Zip A-Dee-Doo-Dah" on the synthesizer, which sounded like a carnival carousel.



They loved the hot-air greeting card

"Interesting road," said Bob, when we stopped for lunch at a roadside restaurant. "Some of it looks like national forest and some of it looks like Route 22 in Union, N.J." That was particularly true from where we were sitting. Through the window on our right were steep, terraced, green hills fringed by thick copses of trees. To the left rose a forest of smokestacks.

We gazed from one view to the other as we ate our lunches, assorted sushi in lacquered boxes or Japanese hamburgers. MSF capped off the meal with a candy bar called President's Lunch. The wrapper boasted that the sweet contained "260mg high desert bee pollens."

The road swung down to the edge of the seashore, where piles of concrete, shaped like the jacks children used to play with, guarded against further encroachment by the ocean. Villages squeezed between the water's edge and the steep, wooded hills that trailed inland.

We passed a hotel built in the shape t a pyramid and another in the shape of a cruise ship. Atop what seemed to be an office building was a replica of the Statue of Liberty. In patriotic salute, Denny played "My Country Tis of Thee" on the synthesizer.

By afternoon we were in the Grand Hotel of Hamamatsu, an industrial center sometimes called the Dallas of Japan. A few of us went for a swim in the hotel pool, which, like every other pool we were to wade into in Japan,

was no more than three feet deep at any point. There was a sauna a few steps away and in one wall of the sauna, encased behind glass, was a television. So Bob and I sat naked among naked strangers and watched an international ballroom dancing competition. Men in "cat suits," tight pants and shirts with ballooning sleeves, glided across a room with women in flouncy dresses that showed generous expanses of back and thigh. By the time we had worked up a good sweat, the Japanese couple had taken first prize.

"The Japanese are among the best ballroom dancers in the world," noted Bob, himself, by the way, no stranger to the dance floor.

Maybe Japanese prowess in ballroom dancing shouldn't seem surprising, but somehow it does, just as it would be remarkable if Americans



Mutually captivated

were to gain prominence in Kabuki theater. I couldn't help wondering if it wasn't part of a larger pattern: At some point after World War II, the Japanese collective unconscious concluded that if success and prosperity from here on in meant abandoning the Genghis Khan/William the Conqueror/Manifest Destiny approach and acquiring other, newer Western skills instead, then, by golly, they were going to acquire them all, from ballroom

dancing to dress designing to golfing to baseball to cost accounting. And a couple of generations down the road, that collective unconscious might have added, we'll take on all comers in any of these events.

e left Hamamatsu on Mon- Perpendicular pinball day morning heading northwest. (I found directions confusing, considering that China was now to our west and California lay somewhere to the far east.) Along much of the highway we had no view at all: Metal walls rose up along the roadsides, sound baffles protecting the surrounding villages from the highway din. These devices are now common in Japan, a country where 120 million people-a population more than half as large as

that of the U.S.—are packed together

in a space smaller than California. We passed weathered, wooden houses and some with aluminum siding intended to resemble weathered wood. There were boxy, prefabricated apartment blocks with laundry hanging from the balconies, factories, vest-pocket farms, greenhouses covered in plastic sheeting and high-voltage lines strung from stanchions that strode like giants across the countryside.

There were bowling alleys advertised by three-story bowling pins, multitiered golf-driving ranges with nets as tall as cathedral walls and a restaurant designed to look like a Swiss chalet. It was called the Jodel.

The heat was mounting, high 90s at least, and only MSF, Bob, Ken and I still wore our leather jackets, sacrificing comfort for a measure of safety.

Gradually, we worked our way through the thickening traffic into Nagoya, the third-largest city in Japan, after Tokyo and Osaka. The main street was six lanes wide, and in every lane the cars crawled arthritically. Where were all these people going, and where would they park when they got there? A Japanese businessman later told me that 50,000 cars park illegally in Nagoya every day.

From the sidewalks and from overpasses, masses of pedestrians watched us and waved. Denny played them a miniconcert. Seekers of relief from the heat disappeared into the Big Dipper Dan Ice Cream Shop, but none emerged with a cone in hand. It would be considered unseemly to walk and eat at the same time.

Vending machines virtually lined the streets, dispensing everything from beer to whiskey to record albums to girlie magazines. Many machines offered the popular Japanese soft drink Sweat, or to use the full name, Pocari Sweat. It wasn't at all bad, tasting something like Gatorade mixed with lemon yogurt.



Everywhere. canned iced coffee





English Japanesed



"For sweet lovers only"

now study Japanese business management? We stopped for lunch at a brown-shingled restaurant overlooking a downtown canal. We sat on straw mats next to low tables as waitresses in soft kimonos served us a local specialty called nabe.

We passed the Garage Inn, sellin

"used clothing and junk," and the

another bounque named Don't. Ther

was the Playboy Club of Nagoya with

an illustration of a cat and the singl-

word "Let's." More intriguing that

any of these was the Hotel With

By now, we were seriously puzzlin;

over the significance of all this curi ous twisting and garbling of the En

glish language. The simplest explana

tion, I suppose, is just that for

most Japanese, English words

are no more than exotic designs

so the meaning is irrelevant

Would an American buying a

Japanese T shirt care whether it

was inscribed with a classic haiku or the motto "3-Hour Dry

A more conspiratorial theory, how-

ever, might take into account that

language represents the most impor-

tant set of symbols a culture pos-

sesses. And when one society is vying

to dominate another, it often appro-

priates the other's symbols, drains

them of conventional meaning and imbues them with new content.

How many Americans today even

know that Kansas, Iowa, Illinois and

many other states derive their names

from Indian words? How many know

what those words once meant? A few

decades hence will Americans be

studying Japanese English as they

Cleaning"?

promising "Elegance and Sweet."

A raw egg is cracked into a bowl and shredded horseradish is floated along the edges. Soy sauce is added. A bowl of chicken broth is set above a flame and brought to a boil. Slices of fish cake, tofu, mushrooms, spinach, cabbage, carrots, green onion and other delicacies are cooked quickly in the broth, then swirled in the egg mixture. Those of us brave enough to try it invariably enjoyed it.

Although Nagoya is a big city, gaijin—the Japanese equivalent of gringos—are evidently rare. We had seen few in the streets, and our waitresses were anything but blase about having us in their establishment. At one point, without warning, one middle-aged waitress pressed her cheek against my beard and rubbed, just to see what the furry little beast felt like, I guess. That sent the other waitresses into torrents of giggles. Though they primly covered their mouths with their hands, the secret was out: The Japanese are not nearly so shy as they pretend.

We spent the night at a hotel overlooking Nagoya Castle, a 17th-century fortress where, Machiko told us, much of the television miniseries Shogun was filmed. With its deep surrounding moat and the golden dolphins on the roof, the castle seemed an inspiring pocket of tradition among the towers and cranes and geometric monotony of the surrounding city.

We were in a soccer field by 7 a.m. Tuesday. MSF was giving rides in the Golden Temple and Capitalist Tool

balloons to a group of children. Other members of the gang were hoisting kids up on the motorcycles for photographs, horn honking and maybe a ride around the field. All the kids were energetic, enthusiastic and great fun to play with. All of them also happened to be afflicted by serious ailments. They lived at a hospital where they survived only by being routinely hooked up to kidney dialysis machines.

Several members of the A.J.H.D.O.A. had shown up, in California Highway Patrolmen uniforms as always. One sat on a bench waving a Japanese fan in front of his face.

When we left, about a dozen of the bikers accompanied us. The traffic had congealed into a nearly solid mass or steel. "There's no other highway out of town," Bob shoured over the engine roar. "Imagine: One of the biggest cities in Japan, and there's only one way out." MSF said later: "They can't do much about it, the country hasn't enough good flat land. Think of the uproar if they were to use up more land for roads to convenience the rich."

Sitting on the Harley in the sun was like perching atop a furnace. I shed my jacket, comfort finally beating out safety. MSF, Bob and Ken more prudently kept their jackets on.

ventually, we entered Osaka, a commercial hub. A Japanese businessman in Tokyo had warned me that "in Osaka, people run, they don't walk. They greet each other by saying 'Hi! Make any money today?'

We checked in at the Plaza Hotel, stripped off our sweatsoaked clothes and headed for the pool, which was squeezed onto a ledge on one of the building's upper floors. Among those romping in the shallow water were several American men of colossal size and girth. They turned out to be professional wrestlers on tour.

"How's it going?" Kip Cleland asked one. "Making five grand a week," he replied. I wondered if he realized he was using a traditional Osakan greeting.

The next morning found us in the park by Osaka Castle another well-preserved remnant of ancient Japan, where MSF was again giving tether rides in the Golden Temple to children, television reporters and dignitaries, more or less

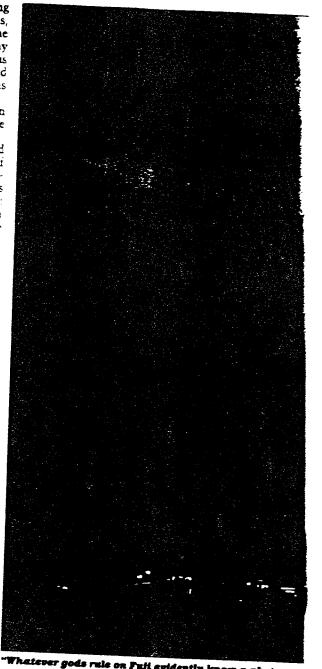
Beneath trees in which millions of cicadas noisily buzzed, golfers practiced their short game. I read a child's "Bully Club Have a Good Time. Bully Club: This T shirt: one, this wears. Elect by bully club its the likely dress."

I had another thought about all this Japlish: I was reminded of the poems Gregory Corso and some of the other beat poets used to write, linguistic insurgencies in which the meaning of the words was secondary to how they sounded. Maybe the Japanese were also in pursuit of a pure and abstract euphony.

Arguing against that, in a way, is the number of English words that colloquial Japanese has absorbed with meaning intact. For example, a nise boi can take his galu friendu to see beesu balu. Maybe he'd also buy her some buanila aisukuriima or a chocoleeto milseeki, which she'd probably spill right down his way shatsu, nekutai and burezar.

We rode on to Sumakou, boarded a ferry and crossed Osaka Bay, landing at the island of Awaji-shima, where a standing Buddha several stories tall guards the shore. The island had the look and feel of a Japanese Caribbean: Palm trees rustled in a balmy breeze, sunbathers frolicked on a narrow beach. Small, pink flowers blossomed along the roadside. The air smelled of fish as we passed the Peter Pan Coffee and Variety Shop. A suspension bridge, under which whirlpools swirled violently, took us over to the larger island of Shikoku.

Although I noticed a restaurant called Cafe Maison



Whatever gods rule on Puji evidently know a photo

Lime Lorry, English was used more sparingly here. We passed through towns where the houses had pagoda roofs sprouting not only television antennas—once the stock symbol for modernity—but also solar panels.

Then came a hotel called the Flamingo Club, whose slogan was "For Sweet Lovers Only." Later, I asked Ken what sort of clientele all these bizarre hotels attract. He explained that few unmarried Japanese men or women live apart from their families. At the same time, premarital sex has gained a substantial measure of popularity and acceptance in modern Japan. The "lovers' hotels," therefore, fulfill a need and do it with enormous discretion. Often, you can park your car underground behind a curtain and proceed to your room unaccompanied. Throughout the hours the guests stay, he said, they need face no one except maybe one old lady who bows a lot as she accepts payment

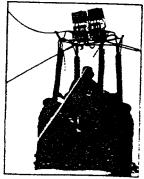


opportunity when they see one"

in the form of cash or major credit cards.

Late in the afternoon we reached the city of Takamatsu, sometimes known as the Kingdom of Noodles. There are said to be 400 noodle manufacturers and 3,500 noodle shops in the prefecture. Several members of the gang accompanied the crew to one of these establishments, where we dined on the high-carbohydrate specialty, washed down by gallons of cold beer and hot sake.

After dinner, we stopped in at a pachinko parlor. Pachinko is something of an obsession in Japan. The game is similar to pinball except that it's played on a vertical surface. If you win, you wind up with scores of little metal balls that can be exchanged for



Kids in the Temple

prizes-wallets and combs and such-and these in turn can be exchanged for cash at a booth on a back street nearby.

This last transaction is evidently not quite legal, so you never see the clerk inside the booth who takes your merchandise and hands you your yen.

Some Japanese are so proficient at pachinko that they can make a living just sitting in a parlor manipulating the little wheel that controls the force with which the balls are released. I played for a while without really understanding what I was doing. To the astonishment of everyone I soon found myself 3,000 yen-about \$20-richer. I commented casually that it was a pretty easy

game once you got the hang of it, and silently I vowed never to play again.

Thursday morning, I ordered a traditional Japanese breakfast: one raw egg, a small block of tofu, a few shreds of raw fish, several varieties of seaweed and pickles. And if I hadn't poured my tea into the dish normally reserved for rice, none of our Japanese companions would have laughed

Actually, I liked just about all the food I tried. Certainly, no other cui-

sine compares with Japan's for sheer beauty of presentation. Japanese food is also, evidently, quite healthy. The people we saw on the streets each day looked much fitter and trimmer than most Americans.

A sophisticated young Japanese woman told me that a year ago she began eating only lapanese food and lost 12 pounds in a few months. Coincidentally, a cartoon in the morning newspaper showed a paunchy Westerner under whom ran the inscription: 'Gaijin lose weight but always find it again."

One imported culinary custom that the Japanese have fervently embraced is drinking coffee. Much is sold in cans, in liquid form with milk and sugar already added. Manhattan St. brand coffee pledges that those who drink it will "taste the happiness of New York." It also notes cryptically that in Gotham "where the streets speak to you, something good will probably happen."

By 10 o'clock we were on another ferry heading back to Honshu. The ferry's large central cabin was adorned with brass and crystal, plastic flowers

and plush purple seats; suitable for both weddings and bar mitzvahs.

We headed out of the port into a crowded countryside. We passed a diner named Warp and a do-it-yourself shop called My Re-Home. We crossed a river on a small suspension bridge painted shocking pink. The NASA hotel, in the shape of a space ship, appeared ahead. We passed a motorcycle graveyard with parts piled up like skulls in the catacombs of Paris. I noticed The Hotel Part 1 Part 2 and a pachinko parlor with a statue of Godzilla out front.

Road repair slowed us for several miles. It occurred to me that in 500 miles we had not seen one pothole.

There was something else we hadn't seen: graffiti. Such defiant and aggressive self-expression, Ken and Machiko explained, was simply un-Japanese.

Beyond the road construction, traffic did not substantially improve. Kip Forbes was counting traffic lights and would tally 66 before this day was done. Denny said he thought it senseless to wear leather when it was so hot and we were moving so slowly. "Might as well wear them when you go for a walk, case you trip and fall," he said in



Vesting Hike Hansfield



Former P.M. Fukuda



Nobel winner Hironaka Harada of Matsushita



Toyota's Toyoda





Canon's Mitarai

that homey tone that makes all his statements sound like kernels or backwoods wisdom.

But MSF kept his on. Since I last motorcycled with him he had had a couple of close calls. In Montana's Glacier National Park two summers ago he hit a patch of loose gravel and went down, breaking three ribs, surfering a collapsed lung, a concussion and abrasions. He had also been nicked by the Reaper's scythe when

the Sphinx, the balloon constructed for the Egypt trip, blew its top 2,400 feet above New Jersey. Miraculously, the coldair-filled chambers in the paws head and tail of the creature slowed the descent to a survivable velocity. MSF wasn't about to let such mishaps discourage him, but he did now appear to be exercising a bit more prudence than in the past.

I looked up and saw the headquarters of the "Japan Pen Pals League, director: Mr. Yukio Kisi." Farther along was the Texas Hamburg restaurant and the Sweet Lovers Inn. We sped on through tunnels filled with cool air left over from the night before and then followed the twisting path of a river through countryside that might have been purloined from Wyoming.

The evergreens on the mountainsides were as soft and thick as a fur coat. There was a roadside Buddha with a red kerchief tied around his neck, and a portrait of Mickey Mouse smiled from a storefront.

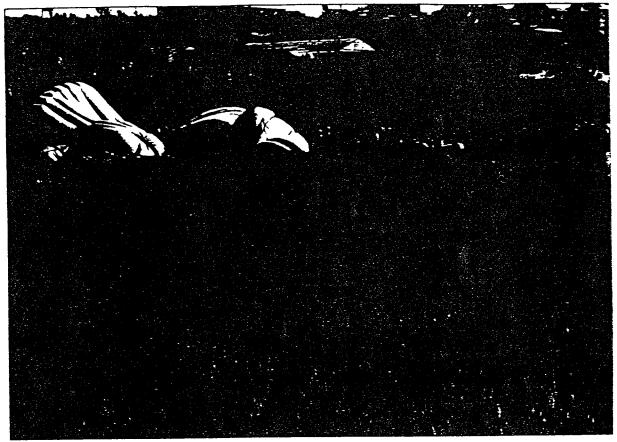
We were on fine motorcycle terrain and were sorry to see the ride come to an end as we pulled into the town of Tottori.

Outside this city are large sand dunes, a mini-Sahara that stretches 10 miles east to west and 1.2 miles north to south. They're a designated national monument and an attraction for tourists. At 5:45 Friday morning MSF and crew prepared for a flight over the dunes.

They never saw them. With 3,000 people looking on, the Temple and the Capitalist Tool balloons got caught in a strong wind that blew them toward a set of power lines.

Kip Cleland, piloting the Tool, tried to come down fast. He hit them anyway. "I just waited for the shock," he said later. Power lines are probably the most dangerous obstacle balloonists encounter. It's not just that they can toast you. They can also flip baskets over, spilling the occupants. They can scare people into doing something foolish, like jumping. In this case, the shock didn't come. The basket tipped, but Kip and the Japanese filmmakers accompanying him held on and prayed. Eventually, the basket worked free and bounced back to earth. Kip and his passengers were merely scratched and shaken.

MSF, meanwhile, had managed to maneuver the Golden Temple onto a nearby rice paddy. Kids swarmed around to see but, he observed, they were too well-behaved to leave



Unplanned downer in a rice paddy

the paths and trample on the farmer's crop. The balloon crew later did their best to restore the paddy to its former state and MSF paid the farmer for whatever damage might have been done.

The road to Kyoto followed an ancient oxcart route through hazy mountains. The populace of the area, largely occupied with farming and timbering, wore straw hats, baggy trousers and loose shirts.

All too soon, we were out of this idyllic setting and back on the Meishin Expressway, again fighting the heat, smog and traffic.

Experienced motorcyclists develop their own styles of riding. Some tend to be fidgety, constantly shifting position. Some seem to be racing, others to lounge. Nick was now riding sidesaddle, both legs hanging on one side of the bike. Kip Cleland and Dave had propped their feet up

somewhere around the handle bars. Ken and Denny were riding standing up, stretching their backs. As for MSF, he was in what seems to be his favorite posture: He had set the governor on the throttle, folded his arms in front of him and was sitting motionless. Buddha on a bike.

McInerney had written of Kyoto as a "museum city" of temples and gardens. This was the only time I felt misled by him. As we entered the town, we saw the same mix of factories, office buildings, gas stations and stores we had seen in every other city.

But as we explored, we found that the old Kyoto does survive just beneath this hard commercial crust. The city still has more than 100 temples and shrines. Buddhist monks and nuns in flowing black and white robes can be seen hurrying through the streets, rushing, one imagines, toward a rendezvous with enlightenment.

We set out on Saturday morning to visit the real Kınkaku-ji, the ancient structure whose likeness we had been launching into Japanese skies.

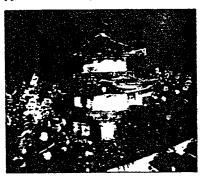
Little had MSF known when he ordered the balloon that he was stumbling onto a political, economic and religious battlefield. The Kyoto city government had decided that temples should pay taxes on admissions like other institutions. The Kyoto Buddhist Association had decided that a temple is not like other institutions or businesses.

In protest of the tax, the temple was "closed indefinitely to public visitation," as a sign on the gate read. Tatzan

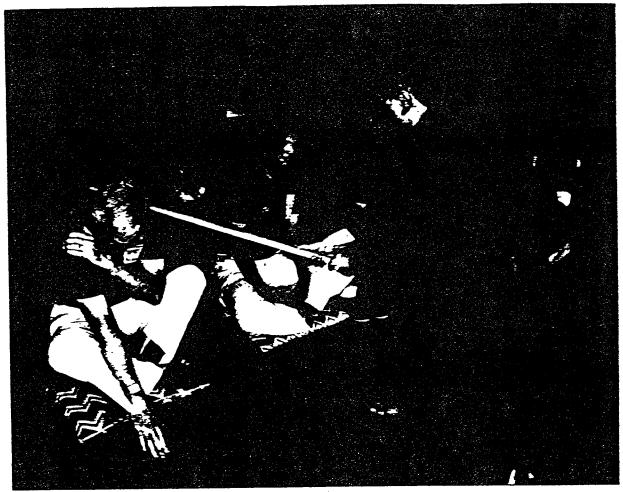
Egami, the robed, bespectacled and urbane monk who serves as the Temple's secretary general, told me that the separation of church and state had lasted for centuries—the site of Kinkaku-ji was first dedicated as a Zen temple in the 15th century—and that he was not about to surrender that independence now. He refused to pay any tax.

MSF kept a diplomatic silence on this internal affair, but secretly, I suspect, his sympathies were with the tax-busting Buddhists.

In any case, an exception to the temple closing was made for the Capi-



Hot air in cold ice



Zen and the art of motorcyclist maintenance

talist Tools. Mr. Egami greeted us warmly and walked us through the restful gardens of flowers, rounded stones, and mirror-smooth ponds. The temple, we were surprised to see, was almost exactly the same size as our floating reproduction. Scaffolding enclosed it, as Mr. Egami was using the opportunity afforded by the closing to carry out a major restoration.

SF donated \$5,000 to the building fund and was awarded a plaque, made from the charred remnant of the original 600-year-old temple, in gratitude.

In Japan there are two major religions, Buddhism and Shinto, and most people, rather than making a choice between them, simply practice both. Shinto is largely concerned with preserving and honoring the memory of ancestors and, in that way, fending off the oblivion of death.

But it is not only ancestors that the shrines commemorate. For example, a Japa-

nese woman who has had an abortion may erect a shrine to the soul of the fetus and, from time to time, even leave toys there. The idea, a novel synthesis of the two viewpoints so dialectically opposed in the West, is to recognize that the fetus has a soul deserving of prayer, even if that soul was not destined to be born.



Separated: temple and state

Shinto shrines can also benefit the living. At a few are statues with uncarved faces. A woman may apply lipstick, powder and other makeup to these stone visages. Coupled with prayer, this is meant to improve her looks.

Buddhism, by contrast, in particular Zen Buddhism, concerns itself with an entirely separate realm of existence.

In one school of Zen, the disciple ponders seemingly nonsensical riddles, the most famous of which is "What is the sound of one hand clapping?" The second Zen school prescribes long periods of deep meditation. Either way, the aim is the same: to free the mind from conventional modes of thinking, logic and sense.

Of course, you don't need to achieve Zen satori in order to derive benefit from meditation. Even intense concentration—the focusing of all attention on a single word or image and a step toward true meditation—can clear the mind of the customary clutter.

Any devoted motorcyclist understands this intuitively. The real joy of touring comes when the sensations and the stream of images, absorbed without effort, displace all other thought. In this way, there is a zen to motorcycling, just as there can be a zen to archery, making tea and arranging flowers. A similar idea was explored a dozen



years ago by Robert M. Pirsig in his fine book Zen and the Art of Motorcycle Maintenance.

I doubt whether Mr. Egami actually expected any of us to achieve satori when he invited us to sit on pillows and meditate. But he did expect us to take it seriously. A small, expressionless monk patrolled the floor, carrying a long stick used for "encouragement."

hen the monk spots a disciple whose mind appears to be wandering, he taps him lightly on one shoulder with the stick. The disciple takes that as a signal to incline his head sideways away from the stick. The monk raises the weapon again and applies two great whacks just below the shoulder. He repeats the ritual on the other side. Monk and disciple bow to one another to complete the ritual.

The blows sting more than they hurt and leave no marks. They are meant not to punish but to hone the attention. Nonetheless, we were all a little surprised to see, out of the corner of our eyes, the little monk making a beeline for MSF. Four uncomfortably loud cracks followed.

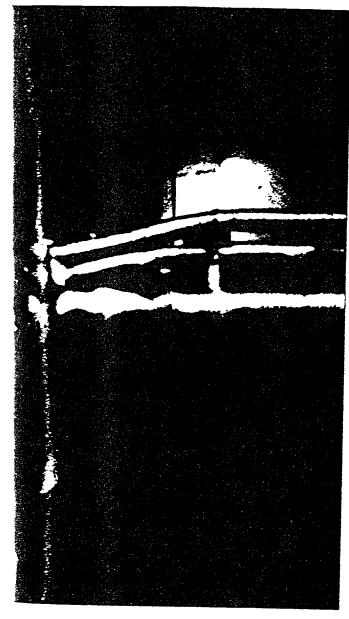
"I'll meditate, I'll meditate," whispered Kip Cleland, willing himself to stone and oneness with the infinite.

Bob, however, bowed slowly, indicating that he wished the encouragement of a flogging. "Hey, look," he explained later, "how many times in your life are you likely to get hit while doing Zen meditation at the Golden Temple? This way, I'll never forget coming here."

A simple, subtle and exquisitely prepared lunch in the monastery's tearoom followed, and then we said good-bye to Kinkaku-ji and Mr. Egami. In the afternoon, MSF took the Temple balloon to nearby Lake Biwa, Japan's largest freshwater lake, for its final ride of the journey.

We left Kyoto on Sunday and headed through narrow canyons and along highland rivers toward the mountains in the northeast, locally known as the Japanese Alps. Many other gangs of motorcyclists were out riding, too. We exchanged salutes.

Most of the cars on the road were, as might be expected. Japanese. But foreign cars, the Mercedes-Benz in particular, served as marks of higher status. Among Japanese cars.



one of the most prestigious is the Nissan Cedric. That had a wonderful Anglophiliac ring about it.

By late afternoon we were at a Japanese inn set like a newel in a rugged, mountain landscape. A golf course spread out behind the hotel, and several members of the gang joined the Japanese staffers for nine holes. Small women with bonnets tied under their chins served as sturdy caddies.

The green fee was about \$90 a person. MSF had had the bad luck to arrive in Japan just as the dollar-to-yen ratio reached its least-favorable point since the end of World War II. Kip Forbes said to me: "You should do a guidebook and call it 'Japan On \$50,000 A Day."

lapanese prices are awesomely high. Out for a Sunday drive, a Tokyo family can easily rack up \$100 in tolls. To buy a house, belong to a club, or to eat in a restaurant takes a big chunk out of the typical paycheck, which, although large and increasing, is also badly gnawed at by a tax bite that is much larger than that currently in effect in the U.S.

"The average middle-class Japanese still doesn't live as well as the average American, even if he makes as much money," a diplomat told me. "Not from a material point of view, anyway. On the other hand, he does enjoy other benefits. He has low crime, good schools and good health care."

We had arrived in Japan at the start of the dry season, and although it had been muggy, there had never been any real threat of rain. But at 3 o'clock on Monday morning I was awakened by the sound of water dancing on the roof.

I figured it was a local weather system we'd be free of once we came down from the highlands.

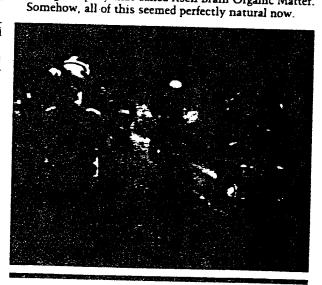
About 9 o'clock we donned our rain gear and steered gingerly down steep and now slick mountain roads. Mile by mile, the rain strengthened until it seemed like we were driving through a typhoon.

As a matter of fact, we were driving through a typhoon. For the next 6½ long hours we fought torrents of cold rain and gusty winds. But the heavy, fat-wheeled bikes served us well. No one went down. And by the time we reached Tokyo we were exhausted and soaked to the marrow. But we were also exuberant and triumphant at having covered hundreds of miles of Japanese roads without a serious mishap.

There were still more press conferences and receptions to attend on Tuesday. MSF, summing up, expressed our "surprise and gratitude at the way this whole operation was accepted. There had been a question in our minds about how the Japanese people would react to something so unconventional as a greeting in the form of a hot-air balloon and eight Harleys," he said. "But it seemed to work. The people we encountered were as enthusiastic and excited as we were."

We left for the airport by bus early on Wednesday morning. The typhoon had blown itself out, and Tokyo sparkled in the sunshine. The city was still as congested and confusing as ever, of course. But Tokyo looked less forbidding than before, more like an attic you would want to rummage through.

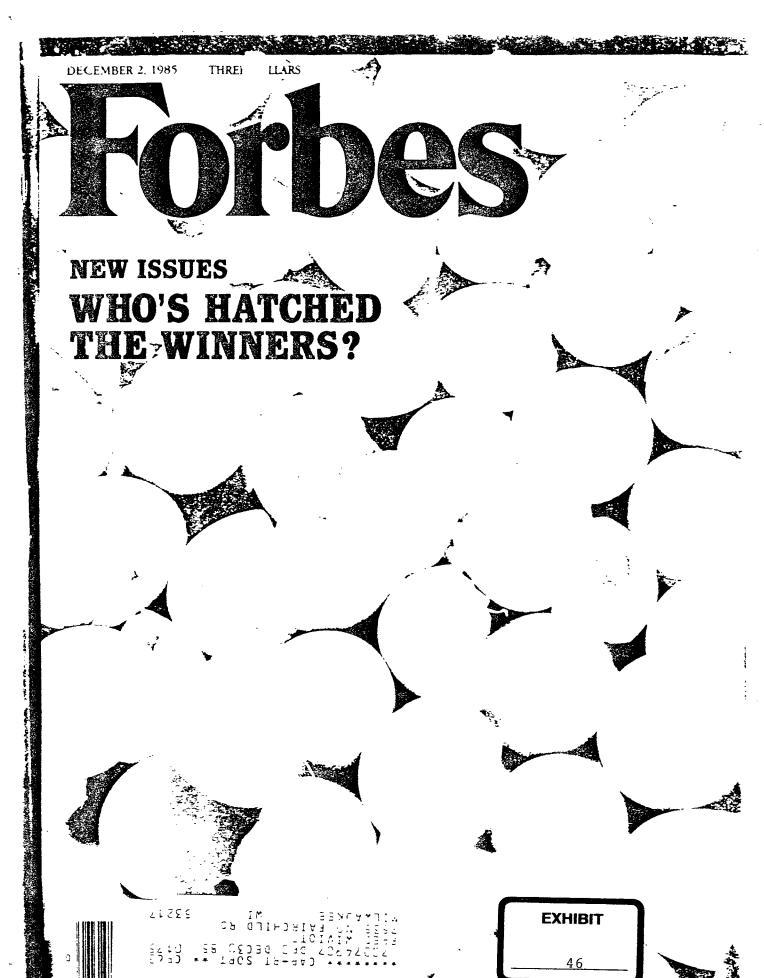
We passed the golden arches of a Makudo Narudo—known in America as McDonald's—then Tokyo Disneyland again. We then came to a park where boys in pinstripe uniforms were preparing to play baseball. The teams bowed respectfully to each other. Nearby, an old man was moving in slow motion, practicing t'ai chi ch'uan on the grass. On the seat next to me was an advertisement for a clothing company that called itself Brain Organic Matter.

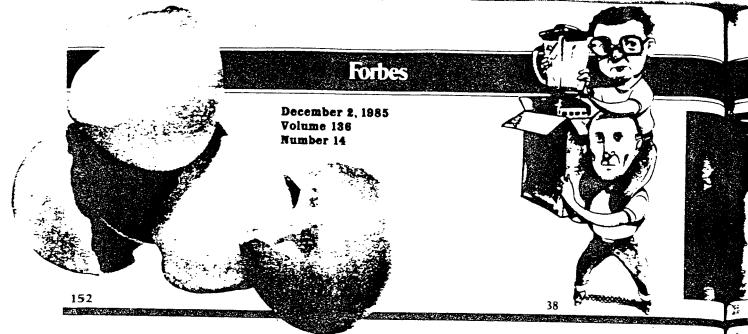


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Exhibit 108





The editorial index of companies referred to in this issue is on pages 276 and 277.

Companies

41 Volkswagenwerk A.G.

The German carmaker is about to steal a march on European competitors by acquiring SEAT, the Spanish car producer.

42 General Motors

Its new plant in Hamtramck, Mich. is a source of enormous pride . . . and headaches.

48 Maxicare Health Plans, Inc.

How do you make money in the health care business these days? The same as in any other: savvy marketing, shrewd management and rock-bottom costs.

51 Gotaas-Larsen Shipping Corp.

Cagey John Seabrook has his reason for putting down his own accomplishment.

54 Secom Co., Ltd.

Anybody who can make crime pay in Japan—selling security systems—has real opportunity in America.

62 The Up & Comers

Tink Veale founded the highly successful Alco Standard when he was 50. He's at it again, at 70. Also: Venture capital clubs.

94 Boeing Co.

Why it's all set to acquire a losing Canadian plane builder.

99 Data Card Corp.

Who needs credit risks? The cards themselves make money.

102 Walt Disney Productions

Wall Street is clapping as if it believed in Tinker Bell.

130 CertainTeed Corp.

Shaping up under its French manager.

134 Hebrew National Kosher Foods, Inc.

From profitable family business to conglomerator's milk cow, to a mess, and back to the same family and new prosperity—all in just 12 years.

143 Svenska Cellulosa

If only Ivar Kreuger could see Swedish Match now.

146 Weyerhaeuser Co.

Its problems are so bad, even George Weverhaeuser is said to be depressed. A buy signal?

150 Delta Air Lines, Inc.

The old cautious methods are no longer enough.

Industries

44 Credit Cards: East Meets West

Japan, the nation of savers and cash buyers, going wild over credit cards? Ah, so right.

106 Toxic Waste Disposal: Painful Tradeoffs

Almost overnight, what had always been a commodity business has become a specialty business—with risks and profits to match.

Departments

- 6 Side Lines
- 8 Trends
- 14 Follow-Through
- 18 Readers Say
- 25 Fact and Comment
- 28 Other Comments
- 31 Fact and Comment II
- 279 Flashbacks
- 280 Thoughts

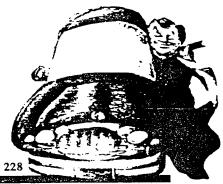
Money & Investments

- 33 What's Ahead For Business
- 34 The Forbes Index
- 7 The Forbes: Wilshire
 - 5000 Review

Columnists

- 265 Ben Weberman
- 266 Ann C. Brown
- 268 Srully Blotnick
- 270 Kenneth L. Fisher
- 272 Stanley W. Angrist





124 Horse Breeding: The Good Life

Tom Martin decided he could live better and make more money selling horses than selling stocks. He was right.

Investing

38 Quiet, Please. Takeover Artists At Work

It's one thing to make a bundle by putting vulnerable companies "in play." It's quite another to run them. Just look at how the Belzbergs, Asher Edelman, Carl Icahn and Irwin Jacobs are faring.

152 Cover Story: Who Hatches The Best New Issues A ground-breaking report, the result of a survey sweeping through a decade of initial public offerings, on the newissues market. Everyone does well except, it turns out, most investors.

205 The Money Men: Eley Frazer

interested in emerging growth investments? You could do worse than buy a tew saplings from forester Frazer.

250 The Funds: A Silly Ritual

Annual meetings in the name of "corporate democracy" are mere ritual. Who needs them? Also: United Services Prospector Fund.

254 Statistical Spotlight: Latest Earnings Estimates If nothing else, they are helpful to contrarians.

274 Streetwalker

Stane & Webster, Inc., NBI, Inc., Modine Manufacturing Co., Woodhead Industries, Inc., Freeport-McMoRan Inc., Lehigh Press, Inc.

Numbers Game

78 Real Estate Appraisal

If inflated real estate values in savings and loan portfolios are the problem, why not call in the accountants?

Taxing Matters

82 Mother Of Mercy, RICO Strikes Again

How the notorious Racketeer Influenced & Corrupt Organization act (RICO) catches the unwary. Also: What if the IRS owes you money?

On The Docket

86 Greenmail Backlash

If shareholder lawsuits triggered by raider buyouts are so hard to win, how come companies are so eager to settle? Also: "Wrongful" discharges.

Marketing

210 A.C. Nielsen's New All-Seeing Eyes

The new and ingenious database in Springfield, Mo. Also: Those "how to get rich" TV seminars.

Technology

218 Reel Fakes

New technology is bringing some reality to Hollywood's bottom line. Also: Hybrid seeds; translating software.

Personal Affairs

228 Okay, You've Kicked The Tires. Now What?

Are you really a shrewd car buyer? Also: The poop on interest-rate deductions, updating stereo sound.

Faces Behind the Figures

- Robert Brennan, First Jersey Sectorities.
- Bernard Ashley, Liura Ashley Holdings 238
- Henry Kloss, Klow Video 239
- Hernando Courtright, Beverly Wishire Hotel 239
- William Smith, Joseph Huber Breuing Co. 242
- 242 Erich Bitter, Bitter-Automobile
- 243 Barry Weiss, Northern Produce Co Mushrooms, Inc.

December 2, 1995. Volume 136. Number 14. Fornes ISSN 2015-6914 is published obweekly except weekly during two weeks in April 1990 weeks to Estember and two weeks in October 1995 Fornes Inc. 30 Fifth Ave. New York, N.Y. 10011. Second-class postage and at New York, N.Y. and at additional making offices Subscription 34.2 a year U.S.A. Postmaster Send address changes to Fornes 3. Forn Ave. New York, N.Y. 1011. Convigent C.1995 Fornes inc. Title is protected through a trademark registration in the U.S. Patent Office.

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Tracking the IPOs

Two years ago, when the market for new issues was sizzling hot, Richard Stern wrote an article for this magazine entitled "Doesn't anyone remember?" (FORBES, Aug. 1, 1983). Except for us, not many people did remember that the new-issues market periodically heats up and then cools down. Sure enough. The new-issues market crashed, and lots of people were burned Were we clairvoyant? Not at all. We simply remembered that the markets go in cycles and nearly always go to extremes. Out of this article, the seeds were sown for the cover story in this issue. I'll let Dick Stern explain:

"While I was researching our new-issues story in the summer of 1983. I looked around for a historical study on initial public offenngs and could not find any written since the 1950s, when the SEC did one. With all the money involved in new issues it needed doing again. How?

"First problem: how to find a list of all IPOs I discovered Norman Fosback in Fort Lauderdale, Fla., whose Institute for

Econometric Research publishes a number of newsletters-New 13sues. Market Logic. The Insiders, etc. Norman had been keeping lists of new issues interstate since 1975. Generously, he made his lists available to us.

"The big iob was updating his information to present pricing and creating a database to use the basic data from Fosback. Paul Bornstein of our staff honchoed all the technical activity, including inventing some of the programming for the database. Paul's a fellow who understands computers and understands the market. He did an incredible 10b. To process this information we hired Interactive Data Corp., whose



Stern (1) and Bornstein

computer prices thousands of publicly traded issues daily and adjusts prices for splits.

There was a tremendous amount of trial and error. Interactive was able to price all but about 400 issues. These, because they trade on the pink sheets, had to be gotten with phone calls to marketmakers. Prices on those 400 issues were added back into the computer-calculating for splits, bankruptcies mergers and acquisitions and name changes. Then came more programming to measure the performance of each stock relative to the stock market averages. We also talked the over 100 investment bankers—those we could find who still were in business to check our lists of what they had brought public. In all, more than six months' hard work by a large staff.

"Can we swear we've gotten every new issue, crossed every i and dotted every if No. Inevitably, there will be errors when you deal with such a complex universe. But though there will be some errors and omissions, we are convinced that the aggregates are right and that our conclusions are solidly based."

I can only add that Stern and Bornstein did a tremendous job. I think you'll agree after you read the article that starts on page 152, "Why new issues are lousy investments."

Im W. Spiras

FOOT NOTES

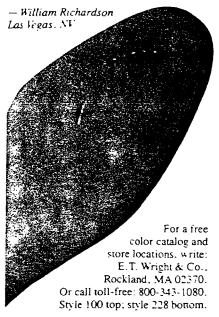
FROM A DEVOTED WRIGHTER

SIR. For one reason or another, I have purchased three or four pairs of shoes over the course of my adult life that were not E.T. Wrights. I regret every one of those decisions. Only Wright shoes have the style, the hand-finished quarity the durability, and above all else, the comfort



WRIGHT AGAIN, BILL

SIR After listening to several older and wiser friends. I recently invested in a pair of E.T. Wright shoes. I was frankly swept off my feet by their comfort, style and obvious quality. I'm off to buy another pair.





Follow-Through:

Harley's hogs

e have been tighting a long, hard battle and would love to have a year when we could coast a bit," says Vaughn Beals 57, chairman or Milwaukee's Harley-Davidson Motor Co., lone survivor of more than 150 U.S. motorcycle manufacturers. Alas. that year is still in the future. The Japanese competitors that almost ran Harley's bikes off the road are still in the driver's seat. In 1984 Honda, the world leader in bikes, with a line that ranges from under \$2,000 to the \$10,000 Gold Wing, had almost 334,000 new registrations in the U.S., a 56% share of the market, according to R.L. Polk & Co.'s figures. Harley's share last year was 3.86% with 23.000 cycles. Polk's numbers do not include police buyers or dealer inventory, and Harley savs it produces about 30,000 bikes a year for the domestic market and 5,000 for export. It specializes in its famous "hogs," powerrul, high-performance bikes retailing for up to \$12,000. Even so, the spread is painfully obvious. Every motorcycle maker has been strugglingregistrations for the industry were off almost 50,000 in the past year—but that is cold comfort.

Beals, chief designer Willie Davidson (grandson of a cofounder) and other executives bought the company from AMF in 1981 for \$80 million. AMF had revved up unit sales but neglected improvements that the Japanese were promoting daily [FORBES, July: 18. 1983]. Beals worked down Harley's break-even point from 53,000 to 35,000 bikes and borrowed

treely from Japanese manufacturing methods. Norman Maversonn, the Popular Mechanics editor who follows motorcycles, guesses that a tenth of the value of components in foday's Harley hogs is Japanese.

"lust when we thought things were going to get better, we were nit with the 1981-52 recession, and the market never really recovered. Beals says A 45% increase in the tariff on big lapanese bikes has helped but that will dwindle to zero in 1988. A new model, the Nova, with a Porsche-designed engine, has been under wraps for years. "Nova more than matches the Japanese." Willie Davidson said in 198. But Harley still needs \$20 mil-

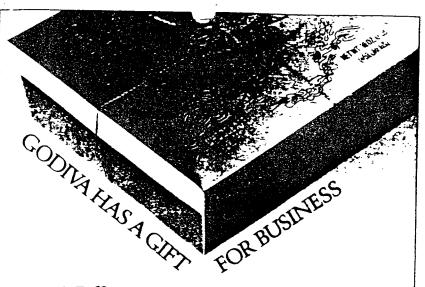
hon to get it on the road.

Still, Beals is optimistic that 1986 will show "significant" profits. Harley's smaller redesigned entry-level Sportsters, including an 853cc bike tor \$3,995, are selling well. Hariey, in fact, has built sales to about \$300 million annually, but bikes are only part of that. The company also has a full line of replacement parts, plus herasing and manufacturing arrangements for everything from floor mats to T shirts, that may bring in as much as its machines. It also has Pentagon contracts for rocket engines used in target drones) and casings for practice artillery shells that account for 15% to 20% of its sales.

Harley's biggest asset, however, is the loyalty of Harley bikers. "Our relationship with cyclists is one of the differences between us and our lapanese competitors." Beals says. Top management burns up the roads keeping that loyalty at rever pitch. The



Haries Dandson Charman Vaughn Beals (left) and chief designer Willie Dat dison Bikes are only part of the story, but an important part.



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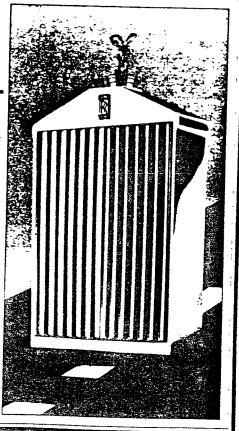
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chairman and five other executives have just completed a 3,500-mile cross-country tour raising money for the Statue of Liberty. More than 3,000 loyal Harley fans packed New Jersey's Liberty Park to watch Beals present a check for \$250,000—and bid more than \$2,000 for jackets worn on the trip by Beals and Willie Davidson. While the hogs keep selling, Beals will keep driving.

Gold glistens—sometimes

The American Stock Exchange addded a gold coin exchange in January 1982, but nobody was much interested (Trends. Oct. 24, 1983). In two years the exchange had traded 102,000 coins, small change compared with the 3 million or so Krugerrands then minted each year, half of them sold in the U.S. Brokerage houses were slow to come in, and, with brokerage fees, investors did not save much. The Amex hoped margin accounts would perk things up and applied to the Commodities Futures Trading Corp.

That did not work, either, and the American Gold Coin Exchange closed this summer. The timing was off, and antiapartheid action against Krugerrands this year did not help. Says Luis Vigdor, a major New York coin trader with Manfra Tordella & Brookes. "The entire industry is still going

through a lull."

Now the Amex is offering a gold call option, which trades with cash settlements only, as "the opportunity to take advantage of gold price movements without buying gold, coins or futures contracts." The options have limited risk on the buy side, notes Paul Stevens, Amex executive vice president of operations. But they, too, look like a bust. On one recent trading day the Amex sold 30 calls and 20 puts, compared with 2,004 calls and 3,000 puts for Comex gold futures, and the Amex had an open interestunsettled option contracts—of 1084 calls and 694 puts, compared with 43,202 calls and 35,071 purs on the Comex. "We're still in the introductory stages," Stevens explains. "Gold has been doing almost nothing, and we need movement."

Maybe so. But others think that without movement the Amex option might be a poor risk. "You'd have to be out of your tree to trade that," says FORBES commodity columnist Stanley Angrist. "No liquidity." The Amex has traders to buy or sell puts and calls, Stevens retorts. "All we need are orders."

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325



Exhibit 109

THE INTERNATIONAL

APRIL 1985 \$3,50

CRIME OF PASSIONA THE PROFESSOR AND THE PROSTITUTE

BY JOSÉ TORRES

THE GREATEST PRACTICAL JOKES EVER

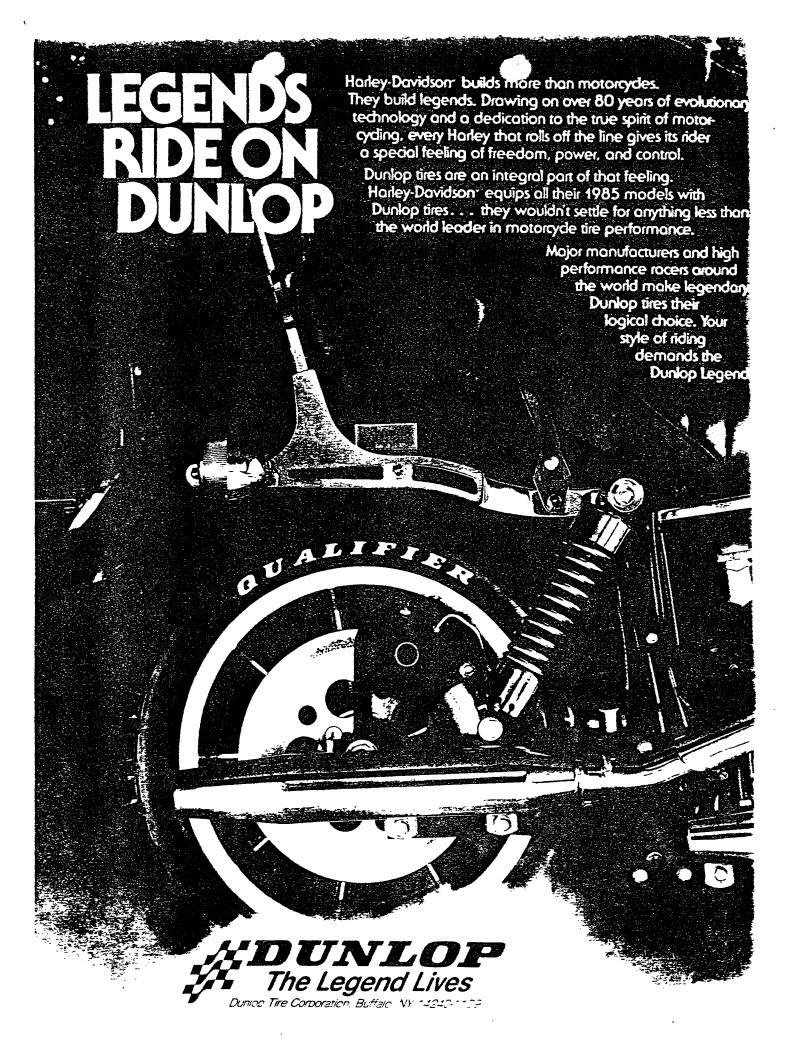
THE WAR ON ELEPHANTS

A POLITICAL NIGHTMARE

EXHIBIT

Ra





ANTHORISM



PENTHOUSE AND HATELY-DAVIDSON.
OF MAN AND MACHINE.



Evolution. The V-Twin Engine.

Examples is a con-Test Kurn, 1985 (14) American milit social manufacturers is their ine imedia 🚻 enter state is the new states tethesart endine, appropriately valled the Vol. Evolution of th this new powern use. Heriev-Devráskin has managed to hiend natification was with the tradito nel values that have carriered the imagination of arrentur us soils since the turn of the century. The Er lation l'engine in aves-me V-Twin is lighter. m re conized, jet more g werful than anything Harley mas ever or duced.

And now, on new Harleys, a with te new crop of riders are dist wering what the original reedom machine is all about. They are discovering the ter and the turnstiles. asymm ir in the pressures of upward m tiltt og mathnes that pille the senses the way only a Harley can. It is a feeling of raw-boned, bare-knuckled athenture.

It is there the instant the pewerful V-twin engine rumbles to life. You can hear it in the deep stactate growl of the exhausti see it in the stark. flowing area of the frameworks teel it as to a sink into the saddle and become immersed mother new excitement of mail.

Elit less. Harley bas continued I reline its preducts. At the pinnacle of a dozen jutstandinz models stand three distinctly different machines: The Low Glide ... the Sport Gilde , and the radical Softail. All three bikes share the 1340cc Evolution engine. This new powerhouse rushes across the landscape with an ease few engines can match; has a 15 percent increase in torque and ten percent more horsepower than its predecessor the time-



At the first crack of the throttle this engine explodes with horsepower.

honored Shovelhead: and delivers up to 55 mpg. And it is still, through and through, a Harley-Davidson 1.

To maintain the timeless appeal of its machines. Harley



Harley Lighteson's new powerfo use. The Evolution V-Twin Engine.

engineers worked within the existing framework of its 45degree, verhead-valve, 🎨 Twin engine. The Evolution Ewer em jestures summunt migrinements in the cutth and debroks and is now available in Sar- ind me-steed version.

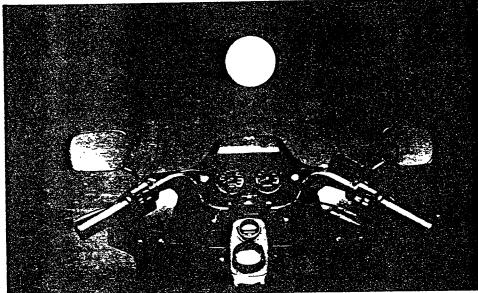
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Alitan Lits up to a buneter l'engine inch further the Haney train high resile value, in the Evolution enome. Historicated in concepted in a Aerin Use 1 lighter with international content and concepted in the content and content an runs . Franciskae et than an Earle, endine t. At the first limit in a the one our engine of with in the constant anyther of the seek of the West to I wanted n the nitrage of the 2 rpm regir makimi . start app.tu.+ + 2/0/2001 toad attituessat 1 kg refique Li el elle (Li ะ and a player the litera : mean counting de new Elin of think this leventury Historia son ami ii - 2 -



Exhilaration. Harley-Davidson Motorcycles.



lined up for a chance to ride the new Harleys and many sounded their approva, with their wallets.

These machines are less contrived, less distilled than the look-alike imports. There are no digital gauges, to flashing lights or tacky doodar interruptions. These traines are part and parcel of afeit in the other side of the turnstiles. Harley-Distilles ons are made real stee. They have always been and still remain our confettered motion maintines with a character as engrained in American culture as the lure of the open mad uself.

In another test-crive program, the then president of the Suzuki Owner's Club was so impressed with Harrey's

Something is going haywire in corporate America and it has nothing to do with politics, deficits, the GNP, or other weighty matters of state. It has to do with affluent citizens, doctors, lawyers, business executives—pillars of the community—spending their off-hours riding around the countryside on Harley-Davidson motorcycles. Harleys, Hogs.

Once again America has discovered the exhibitating escape from the humdrum, stop-and-gall 9-to-5. TGIF world. Now it's TGIH-D!

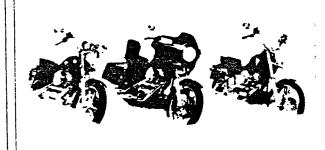
Harley-Davidsons have symbolized freedom from the very beginning when the first motorized bicycle rolled off the production line in 1903. Harley has never compromised its production standards, and this independence has created many challenges for the company, especially during the import invasion. But Harley-Davidson has survived on its wits, its tenacity, and now on its engineering.

In 1984. Harley introduced a

Machines that pique the senses the way only a Harley can.



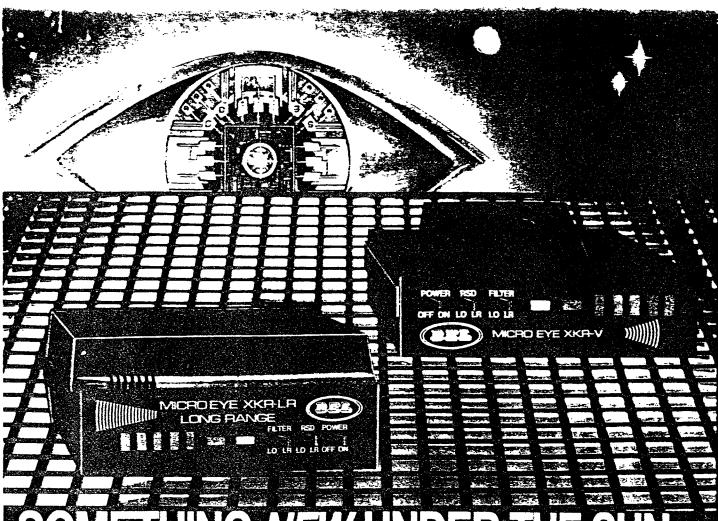




The 1985 FXRS Low Glide (left , 1985 FXRT Sport Girce center and 1985 FXST Sortal) (right).

dazzling new line of motorcycles based on the V-2 Evolution ** engine. They met with overwhelming approval from buyers. In \$4. Harley-Davidson also implemented the SuperRide program, which let riders sample the bikes firsthand in real-world road testing. Over 36,000 riders

Bill Harley in the early 1900's: The Co-tounder and head of engineering who started a winning tradition. performance, he soid his Suzuki and became another Harley convert. Because if you're not riding a Harley, you're not on a motorcycle. Harley sales took off, while the imports suffered through a year of sagzing sales. Another highlight of the last year was when Harley qualified to sell motorcycles to the California Highway Patrol, which has the tocchest standards in the U.S.A.—and then won the bid. For Harley if was icing on an already fattening cake.



The MICRO EYE XKR Series is the Intelligent Radar Detection System

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COMPUTERIZED GETTUS
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MICRO EYE XKR 1.6

MICRO EYE XKR LR

MICRO EYE XKR LR

Model 834S is the most sensitive and selective radar detector in the world. BEL backs that statement with a MONEY BACK GUARANTEE if the XKR-LR doesn't outperform our competitors' models. That guarantee alone should convince even the most discriminating driver But there's more! This Computheterodyne is individually hand-crafted and turied by specially trained technicians to ensure that BEL's quality performance standards are met. BEL has also incorporated two distinct design features to boost accuracy in selectivity. The RSD (Radar Signal Discrimination) Mode rejects incoming signals from other

radar detectors. And the TIME DOMAIN FILTER Mode virtually eliminates talse signals from other microwave signal sources such as intrusion alarms, garage door openers, etc. You can be confident that the Micro Eye picks up and proces-ses only police radar signals. BEL also provides a Visual Signal Strength Meter which illustrates the proximity to the signal soruce. The XKR-LR, with a size of $1\frac{1}{2}$ × $3\frac{1}{4}$ is the smallest Computeterodyne detector in its category.

CAO EYE XKA-V

(patents pending) is, by inches, the smallest dashivisor detector in the world. Yes, the XKR V also incorporates the RSD and TIME DOMAIN FILTER Modes and the Visual Signal Strength Meter. The XKR V provides separate audio alerts for X and K Bands to identify the signal source. Remember, a K Band alert is always Police Radar. PLUS, BEL has developed a half-horn and microstrip hybrid antenna which permits the XKR V's design and size, without reducing sensitivity and selectivity. With three patents pending, we have designed a radar detector which is above the standard of the industry.

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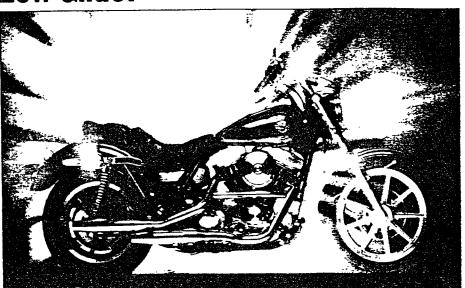


Revelation. The FXRS Low Glide.

Harley's 1985 FXRS Low Girde is an innovative solution to a paradoxical problem. Nonloyalists lamented Harley's lack of sporting offerings, but loyalists ciammered for low, lean cruiser silhouettes. Harley has met the conflicting demands by offering the Low Glide "traditional low-slung mout with a 26.8-inch seat in sporting trim with an eptional nigh-performance suspension package. Installed at the factory for a mere \$150. this package incorporates revised longer travel suspension and a trio of powerful disc brakes. Nobody else offers buyers such options at any price.

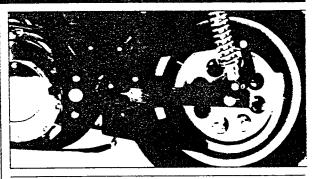
What's more, the '85 Low Gide', in either sporting or traditional incarnation, now feeds its Evolution' power from a five-speed gearbox to a fat rear tire through a Gates Aramid fiber belt instead of a chain. This beit generally requires no more than three adjustments during its 30,000-mile average lifespan. The Low Gide' sports low-maintenance teatures such as electronic ignition and self-adjusting hydraulic valve





Beneath its external trappings is the most versatile machine ever to wear the Harley crest.

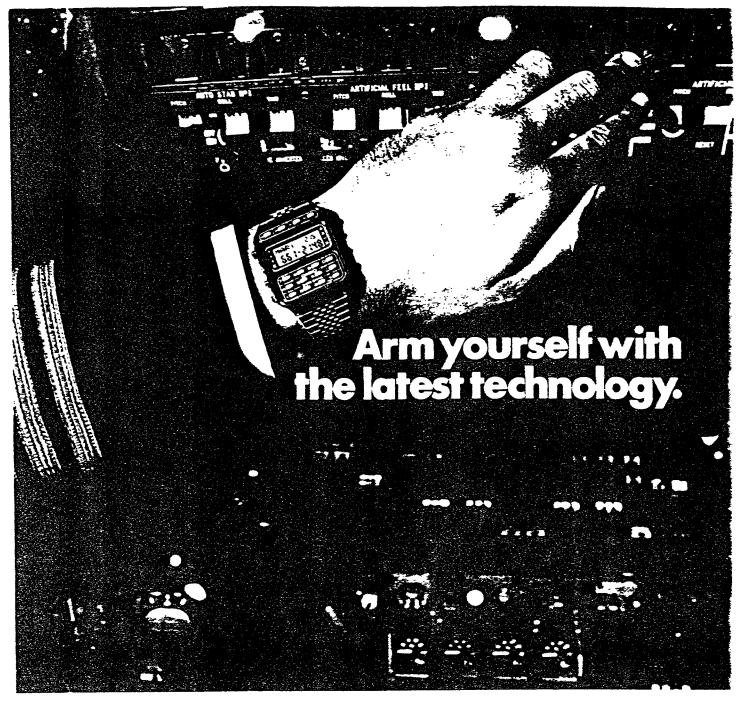
The Low Glide?" is Harley's button-down street brawier, sophisticated yet streetwise. In either standard trim or fitted with the performance option, the FXRS?" carries its rider in style and comfort. Its muscular physique and laid-back



The 1985 FXRS Low Glide features a Gates Aramid fiber beat

ergonomics say "custom cruiser" all the way, but beneath its external trappings is the most versatile machine ever to wear the Harley crest. Rubber engine mounts quell vibration, and although a muted rumble reaches the rider. It is never bothersome. Further enticements to long-distance riding are the Low Glide's choice of footpegs: highway pegs up front for the long haul. or back footpegs for tight quarters. There is also a 4.2gallon fuel tank, with an accurate gauge, that will go 200 miles between pumps.

A low center-of-gravity and good weight distribution in w both versions of the L Glide "to handle the nghtest roads with equi confidence. This machine feets stable, solid, fused to pavement. The taller FXES breaks new ground by combining traditional attractions with an agains never before found in Harley's interp. For those of traditions. sporting blood, it's a combination that's hart resist. The Low Glide fast nocedas express tel seed sultry boulevard nights



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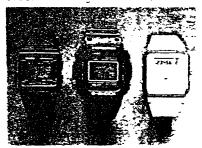
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Life isn't getting anvieasier To nerbivou code iarmivourse tils mmlatest technology. From Casio

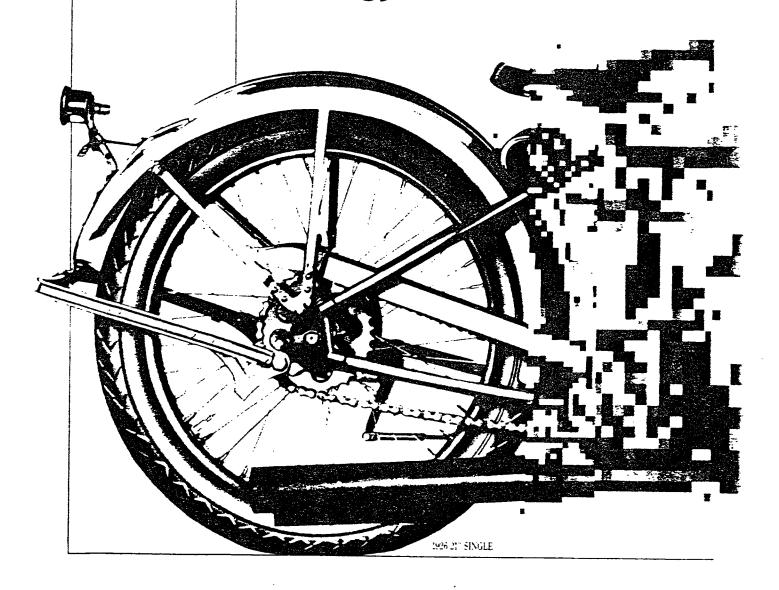


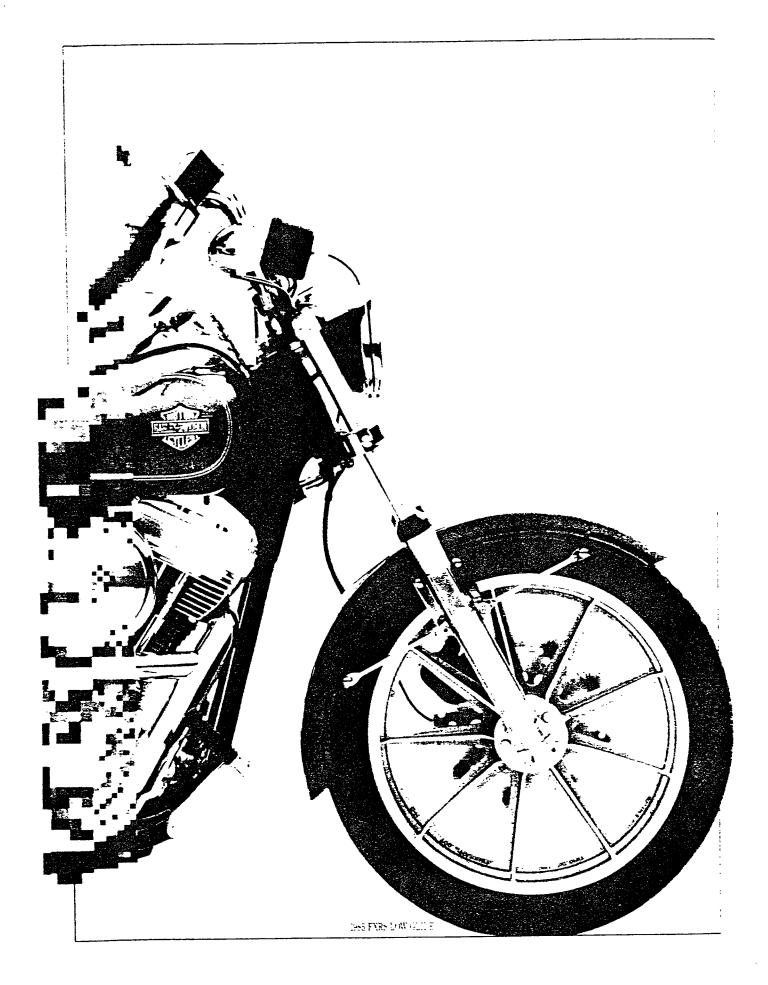
CASIO

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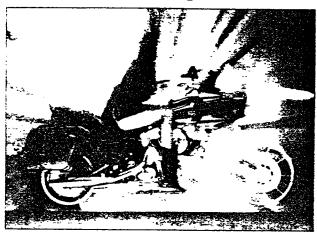
A happy marriage of old world care and craftsmanship and new-world triumphant technology.







Sensation. The FXRT Sport Glide.



If you like your robust romps through the backroads in more extended doses. Harley-Davidson offers the FXRT Sport Glide 1. Introduced with the Evolution " engine in 1984. the Sport Gilde | now features beit drive, dual front discs. and like the Low Glide" engine is rubber-mounted. Beyond that, there are few similarities between the two machines. The Sport Glide' lestures a unique patentpending air-adjustable antidive if at torki air-suspension both front and reart a sporty framemounted tairing available with three options, windscreens of varyanz heizhtsi optional dashmounted AM FM cassette player: a passenger backrest: and sturdy AES saddlebags. with removable liners large enough to keep you in clean duds for at least a week.

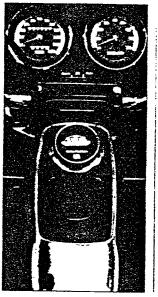
Unlike some of its land-yacht competitors, the Sport Glide is not an exercise in excess. It features enough creature comforts to keep you smiling on the highway without loading you down on the backroads. Comfort and convenience are essential to long-haul touring, and the Sport Glide garners high marks for both. The wind-tunnel-designed fairing does an

Not an exercise in excess. Its well-designed essentials leave your mind free to wander.

excellent job of deflecting the wind and surrounding you in an envelope of unruffled air, while the rider's seat and passenger pillion offer comfortable accommodation for hours on end, mile after mile. The pullback handlebar sets your arms in a neutral position, the footpegs are sensibly, comfortably placed, and you're ready for next horizon.

Humming steadily along the open road isn't the only thing the Sport Glide "does exceptionally well. It is a

machine rapable of startling acceleration and exceedingly nimble handling. Its low center of gravity ail we you to maneuter through traffic and tight spots easily, and its neutral steering characteristics and abundant ground clearance.



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The FXRT essentials: A sleek, well designed dash electronic or and adjustable anticive front fork, (right).

make it an abie partner on sweeping mountain roads. Even with its saddlebags loaded to the limit, the Sport Glice can hustle through turns with agility and elan. The suspension delivers a plush ride without sacrificing high-speed stability and makes the Sport Glide of feel moored to the road over every kind of terrain.

More than anything, the Sport Girle " is a contemporary motorcycle that sports nice details and prinzs a different twist to long-naul touring. It doesn't feature LCD instrumentation or entertainment-center attachments like the imports, but then, it was never intended

motorcycle in a more fundamental, undistilled sense, one that enmances the unique to not by map sing its litter. To on you, but by co called well-designed essentials in ; leaving your mind free t wander the pristing and the The essentials are all nercomient, convenience, place speed, dependability. uniqueness. When a concome alive to sights and - 10% you've never experient - 1 the same before, and yourself chasing the sur dawn or lower see the gro fully readire and appreado swift and stem impar of the Harley-France in 1913 Sport Glice.

THE WORLD'S FINEST BOURBON

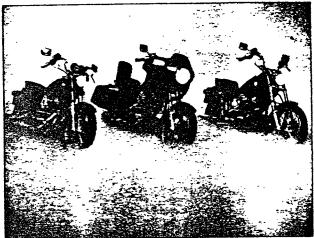


America comes home to Jim Beam.





Temptation. The Penthouse/Harley-Davidson Sweepstakes.



Over 100 winners will be rewarded with these fabulous prizes. But only one of you will be lucky enough to win a Harley-Davidson motorcycle. What's your style... the street-brawler Low Glide, the luxurious Super Glide, or the classic Softail? To enter, follow these rules:

OFFICIAL RULES:

i. No purchase necessary. To enter, on a 3x5 piece of paper, print for type your complete name, address, and in code, and the name of the Hanes-Hawdson more-toxicle year will invoke as your prize the FARS Link (Bide Tithe FART Spria). If your entiry is selected as the Grand Prize winner. Mail of our entry to Penticuse Hartes-Christian Discourse. By Box 547. Linkell IN 4-056. To be engine, entiries must be released to Mail 31, 1985.

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- 3. Sweepstakes open to residents of the United States. Prizes won by minors may be awarded to their parent or legal guardian. Employees and their families of P.O.F. Hariey-Davisson Motor Company. Inc., and their affiliated companies, their advertising and promotion agencies, and VENTURA ASSOCIATES, INC. are not eligible. Voic where prohibited or restricted by law. Odds of winning are determined by the total number of qualified entries. Not responsible for lost, misdirected or late mail.

Grand Prize: Choose the Harley Low Glide, Sport Glide or Softail.

4. Winners will be notified by mail. Winners, or if a minor, their parent or legal guardian, will be obligated to sign and return an Affidavit of Eligibility within twenty-one days of date on notification. If this Affidavit is not received within the twenty-one-day period, alternate winners will be selected at random. Winners agree to the use of their names and likeness for publicity purposes. Taxes are the responsibility of winners. All prizes will be awarded. Any prize returned to the sponsor or to VENTURA ASSOCIATES as undeliverable will be given to chanty

5. To receive a list of major winners, and send a stamped, self-addressed envelope to: Penthouse Harley-Davidson.
Sweepstakes Winners, P.O. Box 721.
Lowell, IN 46356. Requests sent to this P.O. Box will not be honored before Mai 31, 1985, nor after June 30, 1985.













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5 Cases Jim Beam Kentucky Stra.::: Bourbon Whiskey

Five tucky winners will each references of Jim Beam Kentucky Strauth Bourbon Whiskey from the James of Beam Distilling Ct.—Distilers world's linest oouroon since 17-5



Innovation. The FXST Softail.

There isn't another production take like it in the world! Softail. Settactive. handsome, bold, intriguing, powerful, radically different. Softail. It is a roving time machine that has recontured the great American customcrusser art form in the late. Fifties with current technological knew-how. Softail. Cruiser art.

For decades, riders have been cust mixing their machines with a tanatical devotion to form; low, lean, long-flowing artwork that was pest represented by the rigidframed, hard-tail Harley-Davidsons. And while these bikes were no doubt visually stunning, the absence of rear suspension made them punishing to ride. With the Softail. Harley-Davidson has glorified the lusty look and softened the bumps through hidden suspension to make the ultimate in cruiser art available to those who dare to own one.

And there have been many who have dared. To meet the demand for the Softail, Harley had to up its production three times last year, making the FXST Hariey's best seller. And it's no wonder. The Softail had dual, hand-painted FatBob 8 fuel tanks topped by a chromed nachelle that houses the amition switch and speedometer: a deep-dish, lowflying seatt pullback handlebart forward-mounted footpegs: wire-spoked wheels: a fat rear tire and a skinny front skin, set between wide-gauge fork legs: a bobbed rear fender; traditional kick-starter (though an electric starter adds conveniences: a chromed horseshoe-style oil tank: and chromed, sculpted bracketry everywhere.

True to its cruiser-art heritage, the Softail retains a

Harley-Davidson has glorified the lusty look to make the rear shocks. ultimate in hidden below a good ride, and cruiser Evolution | power thunders

frur-speed gearbox and chain final drive, and its Evolution " engine bolts solidly to the frame without the intervention of rubber dampers. Customized cruisers abhor isolation from the elements. Customized machines must not be dead to the senses, and when you're truising through town or rolling down the interstate, there is a certain feeling, a certain primal attraction to the Softail's purr that just seems . . . right.

Aside from its lean, mean profile, the Softail offers surprising performance. The the engine, offer

firth to launch

the ST

from servica his injust over the seconds. On the nighway, the Softail is a partial toof statilist. yet picking your way the sach urban traffic reduces little steering eff ri

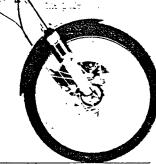
The Satisfies a singular experience—its sitracts in the any artwirk, i illiv captivating his in vicating



qualities can only be measureby those who have ridden a Softail, and by the rebellious individuanty if or rects against a backgrop of import clones.

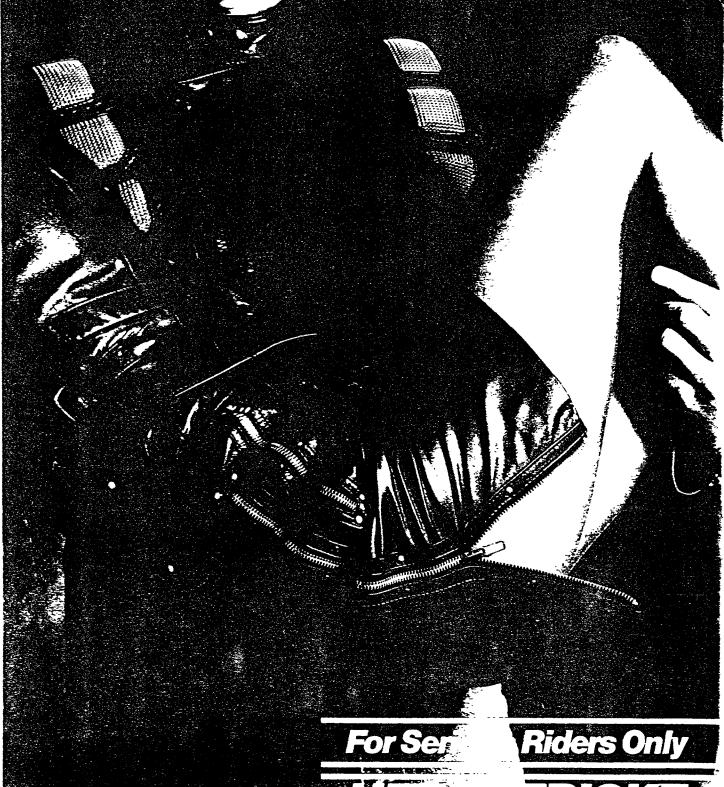
Only Harley-Davidson a could have built the Simail, and only Harley-Davids, no could have captured the thus essence it the American cust on cruiser: seductive, hands me, bold, intriguing, powert... Dare yourself to ride the. The new Harleys, Frare, single,

mompt mised. The question is abe you to it en uch til ride iner ----





Harley-Davidson Carries univ the finest in feathers.



RICKE

of riding leathers

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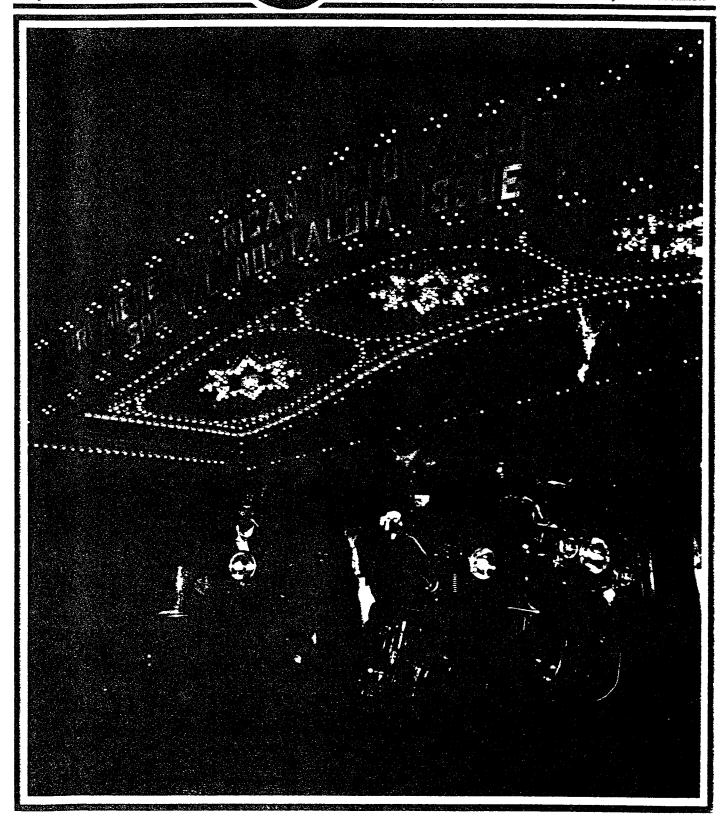
american motorcyclist

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92

July 1983

The monthly journal of the American Motorcyclist Association





Presents the Camel Pro 5

REBOARD



Results

Feb. 5: Houston Short Track: 1.Terry Poovey, HON, 6:06.81; 2. Randy Goss, H-D; 3. Randy Green, HON, 4. Roome Jones, KAW; 5. Ted Boody, HON

Feb. 6: Houston TT Steeplechase; 1. Steve Eklund, C-A. 11.40.03, 2. Mickey Fay, HON; 3. Ricky Graham, H-D; 4. Bubba Shobert, C-A; 5. Scott Pearson, C-A.

Mag. 13: Daytona Road Race: 1, Ken Roberts, YAM, 1:48:51.03: 2 Eddae Lawson, YAM; 3. Steve Wise, HON; 4. Steve Gervais, YAM; 5. Dave Aldana, YAM.

Apr. 9: Ascot TT: 1. Alex Jorgensen, C-A. 19:22:55; 2. Steve Eklund, H-D; 3. Ricky Graham, H-D; 4. Randy Goss, H-D; 5. Mickey Fay, HON

Apr. 16: Sacramento Mile: 1. Bubba Shobert, H-D; 2. Jay Springsteen, H-D; 3. Randy Goss, H-D; 4. Terry Poovey, HON; 5. Hank

May 7: Ascot Half-mile: 1. Jay Springsteen, H-D, 7:21.53; 2. Goss, H-D; 3. Scott Parker, H-D; 4. Steve Morehead, H-D; 5. Gary Scatt H-D.

May 15: Springfield Mile: 1. Ricky Graham, H-D, 15:29.17; 2. Goss, H-D; 3. Hank Scott, HON; 4. Alex Jorgensen, C-A; 5. Gary

May 21: San Jose Short Track: 1. Alex Jorgensen, C-A, 7:17.86; 2. Bubba Shobert, KAW, 3. Terry Poovey, HON; 4. Randy Green, HON, 5. Randy Goss. H-D.

May 22: San Jose Mile: I. Ricky Graham, H-D; 2. Jay Springsteen, H-D; 3. Bubba Shobert, H-D; 4. Scott Parker, H-D; 5. Alex Jorgensern, H-D.

22: Mid-Ohio Road Race: 1. Mike Baldwin, HON, 59-04-851-2. Steve Wise. HON: 3. Jeff Heing, SUZ: 4. Marvin West, KAW: 5. Doug Brauneck, YAM

a 3-5: Road Race: Results next month June 4: Half-mile Dirt Track: Results next month

June 24: TT Steeplechase: Howard Tiedt, Santa Fe Park Enter prises, 9100 S. Wolf Rd., Hinsdale, IL 60521; Location: Santa Fe Park, Hinsdale, IL: (312) 839-1050

June 25: Half-mile Dirt Track: Paul Schiegel, Delta Motorsport Park, 1390 Gage Rd., Toledo, OH 43612; Location: Smoky Mountain Raceway, Maryville, TN; [419] 476-2312

June 26: Road Race: Joe Mattiok, III, Pocono International Raceway, General Delivery, Long Pond, PA 18334; Location: Pocono International Raceway, Mt. Pocono, PA: (717) 646-2300

July 2: Mille Dirt Track: Bruce Walkup, Motor Racing Dept.

Indiana State Fairgrounds, 1202 E. 38th St., Indianapolis, IN 46205; Location: Indiana State Fairgrounds, Indianapolis, IN; (317) 923-3431

July 10: Mile Dirt Track: Don Brymer, P.O. Box 11, Loudo 03301; Location: New York State Fairgrounds, Syracuse, NY, (603) 783-4744

July 15-17: Road Recuitee Moselle, Sports Car Racing Associa tion of Monterey Pennasia, P.O. Box SCRAMP, Monterey, CA 93940; Location: Laguna Seca Raceway, Monterey, CA: (408) 373-1811 July 16: Half-mile Dirt Track: Bud Kroni, D.C. Ramblers, 11519

Ft. Washington Rd., Oxon Hill, MD 20022; Location: Hagerstown Speedway, Hagerstown, MD; (301) 248-1200

July 22: Short Track: Howard Tiedt, Santa Fe Park Enterprises. 9100 S. Wolf Rd., Hinsdale, IL 60521; Location: Santa Fe Park, Hinsdale, IL: (312) 839-1050

July 30: Mile Dirt Track: William H. King, William H. King rises, P.O. Box 32457, Louisville, KY 40232; Location: DuQuoin State Fairgrounds, DuOuom, IL: (502) 964-6415

Aug. 7: Mile Dirt Track: Carl Dice, Champio prises, 4612 Woodwell Dr., Dayton, OH 45440: Location: Hawthorne Race Course, Cicero, IL; (513) 434-7750

Aug. 21: TT Steeplechase: Wayne Wiebler, Peoria Motorcycle Club, 1212 S.W. Jefferson Ave., Peoria, B. 61605; Location: Peoria MC Clubgrounds, Peoria, IL; (309) 674-1917

Aug. 21: Road Race: Jack Williams, Sears Point International Raceway, Highways 37 & 121, Sonoma, CA 95476; Location: Sears Point International Raceway, Sonoma, CA: (707) 938-8448

Aug. 27: Mile Dirt Track: Bruce Walkup, Motor Racing Dept. Indiana State Fairgrounds, 1202 E. 38th St., Indianapoles, IN 45205; Location: Indiana State Fairgrounds, Indianapolis, IN; (317) 923-3431

Sept. 3: Half-mile Dirt Track: W. Jay Milligan Jr. tions, 5831 Southwestern Blvd., Hamburg, NY 14075; Location: Ene County Fairgrounds, Hamburg, NY; (716) 648-5100

Sept. 3-4: Road Race: Dick Roe. Brainerd International Raceway 3141 Fairchild Ave., Wayzata, MN 55391; Location: Brainerd International Raceway, Brainerd, MN: (612) 475-1500 Sept. 11: Mile Dirt Track: Don Brymer, P.O. Box 11, Loudon, NH

03301; Location: New York State Fairgrounds, Syracuse, NY; (603) 783-4744 Sont, 18: Mile Dirt Track: Ken Clapp, Bob Barkhimer Associates

5522 Scotts Valley Dr., Scotts Valley, CA 95060; Location: Santa Clara Fairgrounds, San Jose, CA; (408) 438-3210 ept. 24: Half-mile Dirt Track: J.C. Agajanian, Agajanian Enter-

prises, P.O. Box 98, Gardena, CA 90247: Location: Ascot Park, Gardena Oct. 2: Mile Dirt Track: Illinois Motorcycle Dealers Association

c/o.J.B. Norris, 329 S. Spring St., Springfield, It. 62/704; Location: Illinois State Fargrounds, Springfield, It.; (217) 753-8866
Oct. B. TT. Steeplechaet: Past Schiegel, Ponce/Delta Motorsports, 1390 Gage Rd., Toledo, 0H 43612; Location: Porthac Silverdome,

Pontiac, MI; (419) 476-2312

Rider of the month

Ricky Graham

As the Camel Pro Series moved into the heart of its schedule during May, defending National Champion Ricky Graham was hitting peak form.

The series tests a rider in a wide: range of competition, but it places a premium on the ability to win dirt-track races, particularly mile dirt-track races.

And over the past two years, no one has raced the miles better than Ricky Graham. Riding his Tex Peel-tuned Harley-Davidson, Graham picked up two firsts and three seconds on the miles last year.



Ricky Graham

Within the past month, Graham won the historic mile race at Springfield, Illinois, coming from a difficult thirdrow starting position; one week later he fought a racelong battle with threetime National Champion Jay Springsteen to win the prestigious San Jose Mile. That equals his win total on mile tracks from 1982, and he'll have eight more chances to better that mark before the season ends.

Those wins moved Ricky into second place in the series point standings, only 11 points behind leader Randy Goss. And with the schedule for the next months filled with miles and halfmiles, Graham will be among the most serious contenders for the 1983 title.

Series standings—May 23 11. Ted Boody, 35

12. Steve Wise, 30

13. Hank Scott 29

14 Fride Lawson 25

15. Randy Green, 24

16 Mike Baldwin 20

16. Kenny Roberts. 20

18. Ronnie Jones, 19

20. Scott Pearson, 16

*19. Pete Hames, 18

1. Randy Goss, 98 points 2. Ricky Graham, 87 2. Burbba Shobert, 87

4. Alex Jorgensen, 76 5. Scott Parker, 60

5. Jay Springsteen, 60 7. Terry Poovey, 54

9. Garry Scott, 39

. Steve Eklund, 48

. Rookie of the Year candidate

Upcoming events

June 11: Half-mile Dirt Track: W. Jay Milligan Jr., J.M. Producbons, 5831 Southwestern Blvd., Hamburg, NY 14075; Location: Delaware State Fairgrounds, Harrington, DE; (716) 648-5100

June 17-19: Road Race: Don Brymer, Trojan Enterprises, P.O.

Box 11, Loudon, NH 03301; Location: Bryar Motorsport Park, Loudon, NH; (603) 783-4744



BATTLE OF THE TWINS RACE RESULTS-

May 21-Mid-Ohio

Grand Prix class winner-Jim Adamo, Ducati Expert Modified class winner-Joey Mills III, Ducati Amateur Modified class winner-Chuck Quenzler, Harley-Davidson

Stock class winner-Gene Church, Harley-Davidson

AMA Camel Pro Series Manufacturer Standings (Through May 23)

1. Harley-Davidson, 132 points; 2. Honda, 122; 3. Can-Am, 68; 4. Yamaha, 58; 5. Kawasaki, 38; 6. Suzuki, 13; Ducati, 2.

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: GREET

Exhibit 111

49TH STORY of Level 1 printed in FULL format.

Proprietary to the United Press International 1983

March 14, 1983, Monday, BC cycle

ADVANCED-DATE: Harch 8, 1983, Tuesday, BC cycle

SECTION: Domestic News

LENGTH: 1029 words

HEADLINE: Harley-Davidson vows to fight Japanese motorcycle makers

BYLINE: BY MICHAEL V. USCHAN

DATELINE: MILWAUKEE

KEYWORD: Harley

BODY:

The Harley-Davidson Motor Co. claims it builds ''America's Motorcycle, '' and the big Harley '' hog' ' is in truth the only American-made machine.

It now faces serious oppositon from Japanese manufacturers moving into the heavy motorcycle area, and is girded for a major battle.

Harley-Davidsons have been rumbling down the highway since the turn of the century. People have ridden coast to coast on Harleys. Soldiers rode them off to two wars and home again. Lawmen loved them. So did outlaws.

For years, the Harley was the only big chopper on the American road. For some, it became a symbol of the nation's power and independence.

Now Harley-Davidson faces stiff competition from Japanese firms no longer content to sell small bikes to young riders. Honda, Yamaha and others are making their well-engineered, inexpensive bikes bigger.

The cycle wars are being fought in corporate boardrooms, showrooms and repair shops, and Harley hasn't been winning. In three years, H-D sales have dropped more than 30 percent.

It is a corporate fight involving thousands of jobs.

''The Japanese launched a massive attack aimed specifically at (our big cycle) market and with the intention of sinking Harley,'' said Vaughn Beals, chairman and chief executive of the Milwaukee-Based company founded in 1903.

"'We have been hurt," he said, "but we're not sunk."

Last August, he asked the International Trade Commission for help, and on Jan. 25, the ITC recommended five years of tariff hikes on large Japanese cycles. Now the increases are up to President Reagan.

Harley's problems are like those of automakers in Detroit, except Harley sells to a select group: people who want big bikes, like the powerful 1,000 cc Sportster or the 761-pound, 1,340 cc Tour 6lide Classic.





Proprietary to the United Press International, March 14, 1983

America once had 150 motorcycle companies.

Harley and the Indian Motorcycle Co. A few years later, Harley was alone.

A certain mystique grew around the low-slung cycles with the powerful V-twin engines and a styling some find sexy. A challenge, however, was mounting in the Far East.

The Japanese began shipping small, well-built, economical motorcycles to America in the 1950s. They aimed at a broader market than Harley. In the 1970s, their bikes got bigger, and their ads promoted the imports as acceptable, respectable alternatives to the ''Harley Hog.''

Harley sales dipped and slipped. Even lawmen were lured from their mounts -- leading to laments in country western music.

Harley-Davidson shot back with ads claiming it builds ''America's Motorcycle.'' Loyalists started sporting black T-shirts depicting a hand grenade under the lettering ''Japanese Motorcycle Repair Kit.''

''It's almost like a religion if you're into Harleys,'' says William 6. Davidson, styling director and grandson of one founder. He said gasoline runs through his veins. He keeps a 1912 Harley in his family room at home.

Since 1979, Beals claims, the Japanese have copied Harley styling and shipped a massive 18-month supply of cycles to America. This is, he said, ''the first step in launching an all-out price war which will destroy the American market.''

Beals said the ITC caught the Japanese dumping low-priced bikes in America in 1978, but the Japanese vowed not to court Harley customers. Instead of action, the ITC took the word of the Japanese and considered Harley safe, he said.

''Every unique design feature of Harley has been copied,'' Beals said. ''They said they wouldn't compete with us, and then they did that.''

''I hate to be paramoiac,'' he said, ''but I have to go by what they do and not what they say. And what they are doing is waging economic war against us.''

Beals cited production costs and prices. He said Harley prices have jumped 60 percent since 1977 and Japanese auto prices have jumped about 80 percent.

''But the price of Japanese motorcycles rose only 40 percent through 1981 and remains almost unchanged in 1982,'' he said. Raising the tariffs, he said, is ''the key to our long term survival.

''We're not interested in bare bones survival. You've got to earn money to reinvest in the product to do even better.''

Davidson seems less worried. He is betting on the Harley mystique.

''It's sort of motherhood, apple pie and the Fourth of July and flag waving,'' he said. ''It's like Coca Cola. It's a household world through out the world. I hope we're here forever.''



Proprietary to the United Press International, March 14, 1983

The cycle war started at a time when Harley-Davidson changed hands.

In 1969, the company merged with American Machine and Foundry Co. and nearly tripled sales in 10 years. In 1981, Beals and others saw AMF lose interest in motorcycles, bought the division and tried to inject it with new life.

The new owners celebrated by riding Harleys from their York, Pa., plant to Milwaukee. They had big plans, but sales began to slip. Beals said management did all it could, then sought ITC help.

''We can compete with anybody if they have to run their business under the same parameters we do. I don't think any company or industry can compete against the irrationality the Japanese show in continuing production when sales are down.''

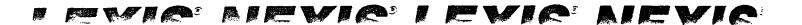
At ITC hearings, Sen. William Proxmire, D-Wis., said Harley faces ''unfair and inequitable market pressures.'' Sen. Robert Kasten, R-Wis., said the Japanese run plants at capacity and ship bikes they can't sell to America -- ''exporting unemployment,' he said, ''and that is not free trade.''

Harley laid off 1,600 workers and cut or froze the salaries of its 2,200 remaining employees. These and other steps reduced its break-even point last year to 35,000 cycles, down from 53,000 units in 1981.

In recent years, more than \$25 million has been invested in capital improvements and product development. Four new bikes will be introduced this year. More than \$12 million was spent developing an advanced cycle design.

Beals described Harley as a ''lean organization'' able to compete with the Japanese, but admitted they have better production methods. He has toured their plants, and he said the difference is not machinery or labor, but management.

''Our challenge is to achieve that record of management efficiency,'' he said, ''and we think it's do-able.''



Mark: JESUS HELY BIVINESON

EXHIBIT

51ST STORY of Level 1 printed in FULL format.

Copyright (c) 1982 McGraw-Hill, Inc.;
Business Week

November 22, 1982, Industrial Edition

SECTION: INDUSTRIAL PRODUCTION; Pg. 92 B

LENGTH: 550 words

HEADLINE: A pileup that may total Harley

BODY:

Japanese motorcycle makers, competing fiercely for bigger shares of a market shrunken by the recession, have piled up huge inventories in the U.S. and are pushing price cuts and discounts on dealers to move the machines. With 1983 models beginning to flood showroom floors, the struggle could prove to be the death knell for Harley-Davidson Motor Co., the last U.S. producer, whose famous heavyweight "hogs" have steadily been losing market share to the cheaper, well-engineered Japanese motorcycles.

The U.S. International Trade Commission is scheduled this month to consider Harley's last-ditch bid for help -- a petition asking for higher duties or quotas on Japanese imports for three to five years. Milwaukee-based Harley, operating at 50% of capacity, is expecting its second consecutive annual loss. And its share of the heavyweight niche -- Harley's "bikes" have engine displacements of 1,000 cc and above -- has decreased from 21% to 13% since 1978.

The glut of Japanese machines is partly the result of competition between Honda Motor Co. and Yamaha Motor Co., which has prodded both companies to run assembly lines at full tilt and, earlier this year, to cut prices in both the U.S. and Japan. An analyst at Nomura Securities Co. in Tokyo estimates that total Japanese motorcycle inventories in the U.S. are more than 20% higher than last year. Honda estimates its own U.S. inventory at 300,000, up 10% from a year ago. There is a 1.5 million-unit inventory in this country, " says Ed Lemco, an Albany (Ore.) consultant, or enough for two years of sales and the largest buildup ever of Japanese motorcycles. During 1973, U.S. motorcycle registrations hit a record 1.2 million, but the 1982 number is expected to reach only 700.000

Discontened dealers. Harley's fear is that the accumulated inventories could lead to snowballing price cuts just when the company is strapped for revenues. Says Chairman Vaughn L. Beals: "Time is of the essence. We're surviving, but that's all." Harley officials figure they have exhausted their tactics to save the company, which its executives acquired from AMF Inc. in March, 1981, in a leveraged buyout. They have cut employment by 40% in order to trim the breakeven point by one-third to 35,000 units annually.

To ensure long-term survival, however, the company has invested \$25 million in capital improvements — and now it wants to develop a new line of smaller motorcycles, of about 800 cc in displacement. That will take an additional \$18 million, but Harley is not likely to be able to raise the money without temporary protection from imports, given its heavy debt service from the buyout. Says Joe Parkhurst, publisher of Motorcycle Business, a newsletter: "If they tool for an 800 cc, they'll be as strung out financially as John De Lorean."



PAGE 3

(c) 1982 McGraw-Hill, Inc., Business Week, November 22, 1982

In its campaign for import protection, Harley may find allies among U.S. dealers. To move the huge inventory of 1982 machines, Japan's producers are asking dealers to offer discounts at the same time they are pushing dealers to stock 1983 models. "Dealers are unable to turn a profit at the [discounted] prices," says consultant Lemco. "More dealers than ever are going broke."

GRAPHIC: Picture, Japan's imports in the U.S.: A record glut of motorcycles sparks a call for protection. Thom O'Connor

Mark: JESUS HOLY DIVINESON GRRIST

Basyrias Ins

Really? 183 Inches? (see page 66)

Plant-Growin' Problems

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Evil, Wicke

EXHIBIT

47

The Pentagon gets the idea (sort of)

The Pentagon is finally getting the word about the advantages of two-wheel over four-wheel transportation but. unfortunately, the major financial beneficiaries seem to be foreign manufacturers.

The Marine Corps, for example, recently placed an order for 204 Bombardier 250cc Enduro military model motorcycles for use by couners in combat zones.

Ready-to-go, with full oil and gas tanks, the on-and-off-road bikes — which come equipped with special camouflage and blackout equipment — weigh less than 300 lbs. and amble along at up to 65mph. Maximum range on a tank of gas is reported to be 125 miles.

Meanwhile, the Army, under a "test bed" program designed to study the feasibility of putting easily available consumer equipment to military use, is testing a fleet of Honda twoand three-wheelers for use by the Signal Corps.

The cycles, currently being tested by the 9th Signal Battalion of the 9th Infantry Division at Fort Lewis, Washington, are off-the-shelf Honda off-road models. The bikes are 250cc motocross models, and the trikes are the popular 200cc Honda wide-tired ATCs tall-terrain cycles). One of the ATCs has been modified by the Army for use as a wirestringing vehicle.

"The bikes are lightweight, they can be easily transported by air, and they are cheaper to operate and buy than a Jeep." Major Jim Mellon, battalion operations officer, told the press.

Airborne rangers at Fort Hood. Texas, were also reported testing some Hondas for use by reconnaissance patrols.



חוזיה והילו הימניז! א להענגו עם סומוץ

More small Harley news

Last month we reported that Harley Davidson has been secretly testing a new prototype Hog at Alabama's Talledaga Speedway. Since then, more news — rumor, actually — has been trickling out about the mystery machine.

According to sources close to the Speedway, the new Harley features a V-4, 1.000cc engine built, not in the Harley engine plant at York, Pa., but by Porsche at their auto plant in Stuttgart, Germany.

Though the engine on the bike tested in Alabama was covered with oversize shrouds to protect it from prying eyes. insiders report that the Porsche mill features fuel injection and can easily be bored out to a larger configuration.

Lightning can't kill this bro

Twas unbelievably lucky." said rider Gordon Shepard after surviving a freeway shootout with a lightning bool. "There were three ways I could have died — from the lightning, from the fall, or from other cars running over me. The lightning was so hot it melted a stainless steel chain I was wearing and the keys in my pants pocket."

According to witnesses Shepard was booking down Interstate 75 near his hometown of Linwood, Michigan, when the lightning struck him and sent his body soaring off his bike and up in the air.

"There was a doctor who saw it and stopped to help." said Shepard, who was so 'shocked' by the accident he couldn't remember anything about it until after he had been in the hospital several days. "The lightning knocked my shoes off, and my socks were still smoldering when they came over to help me. People who saw what happened told my wife that I looked like a rag doll blown into the air." he added. "The bike continued down the

highway for half a mile. The more I heard about it, the luckier I knew I had been."

Anti-biker bias in Britain denied

The British Department of Transportation has denied charges that it is systematically discriminating against and persecuting motorcycle riders.

"No one here wants to persecute them and no one here believes we have been unfair in our treatment." Kevin Clarke, undersecretary of state for transport, told the press. Clarke vociferously denied that the government has any plans to force riders to wear high-visibility clothes, require lights-on riding during daylight and restrict the engine size of high-performance bikes.

Protests about the government's alleged hostility to bikers surfaced after the passage of a measure making it illegal for learners to ride bikes any bigger than 125cc.

Join the Organization for Street Bikers!

National Abate P.O. Box 162062 Sacramento, Ca. 95816



That:
It is National Abate a goal to provide a common ground on which you can unite to provide it you, the concerned motorcyclest, a foud and strong voice against mandatory motorcycle laws. It is also National Abate is goal to bring logerate as the motorcycle entitlessess in your are which are seeing Brothernood and versing to been go a haternal organization. National Abate is decirated to you, the motorcycle enthusest. National Abate will concern a your name, his dollars to the Non-Profit Motorcycle Actor Give Name here.
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information on becoming an approved organization
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Address, P.O. Box or G.D.
Cay
Some

___Thanks for not giving up-We never will.



U.S. GROUP SET TO BUY HARLEY The New York Times February 28, 1981, Saturday, Late City Final Edition

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February 28, 1981, Saturday, Late City Final Edition

SECTION: Section 2; Page 29, Column 6; Financial Desk

LENGTH: 599 words

HEADLINE: U.S. GROUP SET TO BUY HARLEY

BYLINE: By AGIS SALPUKAS

BODY:

AMF Inc. said yesterday that it had signed a letter of intent to sell its subsidiary, the Harley-Davidson Motor Company, the only United States concern that still makes motorcycles.

The company said that the buyers were a group of the current Harley-Davidson management team, headed by AMF's vice president, Vaughn L. Beals Jr., who has overseen the division since 1976.

The amount of the transaction was not disclosed. Harley-Davidson, with headquarters in Milwaukee, has been able to maintain a slim lead over its Japanese competitors in the market for large, heavy motorcycles, which totaled about 130,000 units last year. The subsidiary took about 30 percent of the sales, compared with 26 percent for Honda, the closest competitor.

It failed, however, to stay in the running in the smaller motorcycle market, which boomed in the 1970's. Harley dropped out of the production of such units in 1978 because of the fierce price and marketing competition from the Japanese - Honda, Kawasaki, Yamaha and Suzuki.

Considering Small Motorcycles

At a news conference in Milwaukee, Mr. Beals said that his group was considering the possibilities of introducing a line of smaller motorcycles again. He said that Harley-Davidson had upgraded its plants for this purpose, and had installed a new \$4 million facility for transmission production at a Milwaukee plant.

The sale also includes Harley-Davidson's parts and accessory business, and its golf cart line. Three years ago, Harley-Davidson tried to get relief from what it considered Japanese price cutting. The Treasury Department found in 1977 that Japanese producers were "dumping" motorcylces in the American market - selling them at lower prices than those charged in Japan. The United States International Trade Commission ruled, however, that Harley-Davidson was not being injured by the competition.

Harold Vogel, leisure time analyst for Merril Lynch, Pierce, Fenner & Smith, said in an interview that domestic motorcycle sales have slumped in recent years, adding to the problems of the subsidiary.

He added that the move was a good one for AMF since it would free capital that could be used for an acquisition in a more promising field.

AMF Strategy

W. Thomas York, the chairman and chief executive officer of AMF, which has its headquarters in White Plains, said the decision to sell was part of the company's strategy to shift assets and "further its thrust into the selected industrial technology markets of energy products and services, specialty materials and electronic controls and systems."

He said the sale was still subject to the drawing up of a definitive agreement and must by approved by the AMF board of directors, as well as members of the board and stockholders of the new company being formed by Mr. Beals.

The new company, which will own the **famous Harley-Davidson name**, must also complete arrangements for the loans to finance the sale. AMF aquired Harley-Davidson in 1969. Last year, the subsidiary had sales of about \$300 million, or about 19 percent of AMF's total revenues of \$1.53 billion, and earned 8 percent of the corporation's total profits of \$164.7 million.

The subsidiary has two plants in Milwaukee and one in Tomahawk, Wis., employing a total of 2,100 people. It also has a plant in York, Pa., which employs 1,800.

Mark: JESUS HOLY DIVINESON

Curporate

strategies

Harley-Davidson: A revival as macho motorcycles take off

They are called "hogs" in the motorcycle trade, and for much of this century the unmistakable, deep-throated growl of the heavyweight bikes from Harley-Davidson Motor Co., a division of AME Inc., turned on a small cult of leatherjacketed rebels and American gypsies. But in the mid-1960s, Honda Motor Co. persuaded thousands of Americans who were not part of that cult that they could "meet the nicest people on a Honda," and that touched off a motorcycle boom that largely passed Harley by, Motorcycle sales in the U.S. soared fivefold to a peak of 1.1 million in 1974, but most of that growth went to Honda and the other Japanese manufacturers producing lighter, sportier, and less-expensive bikes that appealed to the novice riders entering the market in droves. The Japanese wound up with 90% of the market, while Harley's share plunimeted to 3.6% by the early 1970s from a high of 50% in

That happened because Harley all but scorned the new market segment. While it began marketing some lighter bikes, it never did so aggressively, and some Harley dealers flatly refused to carry them. Observes Allan Girdler, editor of Cycle World: "They were trapped in their own field."

Drawing the graduates. Harley's do-nothing strategy, however, is at last beginning to pay off. This year motorcycle demand is taking a surprising turn toward the heavyweights. While total motorcycle registrations have slumped 30% in the last three years, demand for heavyweight bikes in the 1900-cc range and above has nearly doubled in that period.

The Lenefit Harley is getting from a shift in the market is being matched now hy an equally welcome break it is getting on price. The Treasury Dept has just ruled in favor of the company's claim that Japanese manufacturers have lately been guilty of dumping cycles in the U.S. market. That ruling could lead to antidumping taritfs being imposed on the Japanese that would further narrow the price gap between their bikes and those Harley makes. Thanks to a declining dollar, Harley's hig bikes now list for about \$500 or so more

than comparably sized Japanese bikes. Only a year ago the spread was twice as wide. And Harley already has an edge on value at trade-in time. Because they are more durable than their Japanese competitors, five-year-old Harley hikes today command almost the same price they did when new, while most Japanese cycles depreciate about 50% in that time.

As a result, Harley's market share has inched back up to near 7% in recent years, and so far this year the company's sales are up 22%, even though sales of lightweight Harley bikes are off badly. Profits are also up more than 10%, despite losses from the lightweight bikes. Last year, Harley reported operating profits of only \$1.3 million on sales

Partide on on a 1000-cs model. The market is ready

Davidson on a 1,000-cc model: The market is ready for the heavyweights—and that means Harleys.

of \$203 million, largely because heavy price competition from Japanese motorcycle manufacturers kept the company's margins paper thin.

Parental generosity. On the surface, at least, the comeback has little to do with anything the company has done. Customers who streamed into the motorcycle market in the 1960s by purchasing smaller Japanese models are often graduating to larger bikes on their second purchase. "They've already owned a lightweight, and now they're ready for a heavyweight, and that spells Harley," says John A. Davidson, the company's chairman and grandson of one of its founders. Such customers are now older and more affluent, and they increasingly both desire and can afford the less spor-

Industrias Peñoles: Mining Mexican silver with U.S. money

Petroleos Mexicanos (Pemex), Mexico's state-owned oil company, has been gaining worldwide recognition in recent years for an aggressive exploration program that has discovered extensive petroleum reserves that promise to make Mexico one of the world's biggest crude oil producers. But a privately owned Mexican company, Industrias Peñoles, has been quietly enjoying almost as much success discovering and exploiting

the country's abundant reserves of metallic minerals.

Beginning in 1969, Peñoles gambled by borrowing heavily from U.S. banks to finance a massive exploration and development program. The idea was to expand the company's small mining operation and also to diversify to reduce Peñoles dependence on highly price-elastic lead and zinc Last year, as the company completed its eight-year, \$500

million capital expansion program, Peñoles' new silver mines pushed Mexico ahead of the Soviet Union as the world's leading producer of silver, providing the best evidence yet that the company's big gamble is paying off.

As recently as 1972, Peñoles was a small mining operation with sales of \$92 million and profits while Pemey was a

its huge oil finds the also striking mass the central part of largely to such district my's estimated in the such districts.

EXHIBIT

49

ty, more comfortable-but also more expensive -cycles that Harley makes for long-distance touring. Says Dudley Perkins Jr., whose Harley dealership in San Francisco is experiencing a 50% sales increase 30 far this year: "Some people who would not have been caught dead on a Harley three years ago are buying them now."

Harley is doing its best to capitalize on the new motorcycle trends by going, so to speak, whole hog. Last month the company closed its plant in Italy that

Sales of its monster machines are up despite a do-nothing strategy

produced 125-cc to 250-cc bikes, leaving only 1,000-cc and larger bikes in its motorcycle line.

Harley's parent also has been generously supplying it with the capital it needs to expand and modernize its facilities that manufacture heavyweight cvcles. In the last five years, the big recreation goods company has poured \$40 million in capital into its motorcycle subsidiary, about six times Harley's capital outlay in the previous five-year period. Harley's capacity to build its big bikes is increasing 20% this year alone.

Harley has also been using those AMF funds to streamline some of its existing models and to introduce new ones. A few months ago, the company introduced a new 1,340-cc Electra Glide model, the largest cycle it has ever marketed, and already its dealers are reporting encouraging sales for the \$5,000 bike. Last year Harley also introduced its so-called Low Rider, a new version of its standard 1,200-cc cycle that seats the rider closer to the ground. It has quickly become one of Harley's most successful new products, and most of the company's dealers sold their entire allotment of the 1978 model by June, four full months before they take delivery on the 1979 models. "We've pressed the right consumer button on those," says Davidson.

Yet even the company's dealers concede that such changes amount to no more than a new cosmetic cover for what remains underneath the same old Harley hog. While Japanese manufacturers have turned to quieter, faster, and smoother four-cylinder engines on their new 1,000-cc bikes, Harley clings to its antiquated two-cylinder or V Twin that produces a vibration and rumble that its dealers love to merchandise. Aside from making some improvements in their cycles' suspension systems. Harley has done little to apgrade the basic performance of its bikes.

Pride and passion. The company, however, is spending \$6 million this year-30% more than last year-to market even more aggressively its macho image, not the least of which is traceable to the distinct sound the Harley engine makes. Instead of pointing out performance details, Harley promotes the emotional appeal of its products. "No other motorcycle arouses the same pride, passion, even fanaticism," claims a recent ad. Surprisingly, such promotion lures even the purists who rate the Harley hog as a slower, less agile, and lower-performance bike than those of many of its Japanese competitors. "I saw a new Harley the other day and said to myself, 'You dummy, the next bike you'll own will probably be a Harley," says Cycle

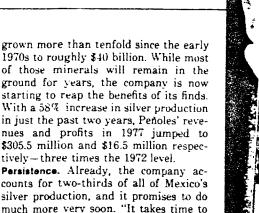
World's Girdler "It's impossible to describe, but I like them."

A quiet threat. If there is anything that seriously threatens Harley's conceback. it is the Environmental Protection Agency Earlier this year, the 194 proposed new rules that would require manufacturers to relace motorcide noise 50% by 1985, and if put into effect. they could make Harley's strategy of sticking to its noisy engine a story sighted one. The new runes would affect Harley more severely than any other manufacturer because its two-counter. air-cooled engine is inherently harder to silence than the four-cylinder-and sometimes water-cooled engines used by a number of its competitors

Some technicians inside the company, as well as some Harley dealers, even argue that the new rules could put the last American motorcacie manufacturer out of business, not because any could not afford to make the changes but rather because the company could not market them. "If they make our bike sound like the sewing machines Japanese bikes sound like, it would no longer have the difference that people pay a premium to get," observes Philip S Peterson, a Harley dealer in Miami

Though he admits that quieting his company's motorcycles will also take away some of their "mystique," Davidson insists that even if the EPA has its way, Harley could successfully adapt to the agency's new noise-reduction rules "We're not going to fold our tent," says Davidson, "We'll do everything we have to do to stay around."

Peñoles' Rohe: "To grow in a capital-short environment, we borrowed to the hilt."



Persistence. Already, the company accounts for two-thirds of all of Mexico's silver production, and it promises to do much more very soon. "It takes time to develop the silver mines, but without

CORPORATE STRATEGIES

Vark: CARIST

The Washington Post

Classi Comic Crossy Editor Finan

@ 1878, 2014 Washington From On.

FRIDAY, MAY 19, 1978

Rescue Mission Laune

¿ Covert Aid in Africa

"That was just the tip of the icerg," one knowledgeable source id yesterday in referring to the counts that reached the public.

Visible now is the new Western i and air-rescue mission to Zaire the wake of the border-crossing om guerrillas into Zaire's rich oper belt.

That double operation has been inched with unpublicized apprenation by some officials inside the rier administration that it is, one put it, "a first step into the icksand—on the Vietnam model." here strongly disagree, insisting it in Zaire the Carter administration is involved only in "aid and namitariam" objectives. But spart from what is happening around Kolwezi there is a web of strategic concern especially preoccupying Carter and his national security affairs advisor, Zbigniew Brzezinski.

Brezinski, who left Washington yesterday for China, is described by informed sources as at least as "obsessed" with the Soviet-Cuban projection of military power into Africa as was former secretary of state Henry A. Kissinger over Angola in 1975-76.

To Brzezinski, what is at stake is a fundamental test of the validity of American-Soviet detente, and be

See STRATEGY, A24, Col. 1

By William Clafborne and Don Oberdorfer

Belgian and French Foreign Legion paratroops—supported by the United States—were being airlifted to Zaire yesterday in an international rescue mission to evacuate 2,500 Europeans caught in the midst of fighting between rebels and government troops in Zaire's Shaba copper belt.

There were reports from Kinshasa late last night that the first contingent of Foreign Legion paratroopers had arrived in the capital city, and that all of the rescue forces being sent to Zaire would first group thera.

Agence France-Presse reported from Kinshasa that a decision on a thrust toward Kolwezi, 850 miles to the southeast, where virtually all of the foreigners are stranded, would be made in the morning.

Waves of Belgian Hercules C130

transports loaded with an estimated 1,750 Belgian soldiers took off from Brussels' military airport during the afternoon, reportedly bound for the Itory Coast on their way to Kamina, 120 miles north of Kolweti, where most of the foreigners are stranded.

At the same time, four planeloads of French foreign legionnaires reportedly left from Solenzara, Corsica, aboard a fleet of transports, also reportedly bound for Abidjan, Ivory Coast, en route to Zaire.

The elite legionnaire paratroop unit took off aboard DCS jetliners chartered from private airlines, according to state radio broadcasts.

Neither government gave any indication when the reseue operation would actually begin inside Zaire, although it was expected sometime overnight.

The extent of the U.S. involvement in the operation—such as whether

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Drivers' May Enc 'Owl' Bu

By Doug

Metro and union official expect full Metrobus servi by hundreds of drivers de during morning and even:

Fourteen of 15 buse: morning "owl" service by eration by that time, a M six "owl" buses were so afterwards.

The walkout began at Columbia garage, the So-Southeast Washington, B: had spread to drivers at and had slowed service (ington, all of Southeast W gomery and Prince Geor riders were not affected.

The drivers called the strike," and said it was Wednesday morning of assigned to the Southeas:

May's the Month the Vrooms Bloom

weary, car-bound commuter wan the sectionities sound of a four-stroke dead se overhead can purring "hello" for the first time since the frosts of November. Ah, no sweeter mistress distracts the whater-

creakity into spring this year, freedom is a As Weshington grouns its way rather motorcycle

on with a little chrome and some burnshed pains with gold striping. There's the spice to embolden the Degwood daily life as you setting axide a time and a place and putting the rest of life away for a while. But give us two wheels with disc brakes hung onto 500 You can have your golf and your salling here - all these recreations that require and your bicycling and even your termis -now around the city.

and friends, we all know it was a long win-ter. In recent weeks every bike-cerner in eight has been changing oil, putting in new place, and even smilking around the bike These are happy days in motorcycle herwa. A motorcyclist is truly abut down when there's snow and ice on the pround, shops for something newly and better.

things happening every yest. This yest, the twin-V engine of the shaft-driven Honds The technology of two-wheeled fun is now a manuscript of the with starting of the CX 600, the high-speed handling of the 60-ruld 1000 and the total touring humy of the Yemaha XS 11 (1100 oc) are the talk of the B

Sitting over a beer and a sandwich on a greeny piot beside a roadside anack bar with e bench of motorcyclists is not, we imagine, unlike hench with a bench of buyers at the Paris price-porter fashion collection.
"Did you see the Krauser saddlebags on that Besmer 7507"

"Have you ever ridden a Ducatil Libs a Maserat, man."

That, in fact, was precisely the drift of a orben everything on two wheels seemed to converge at once on the grass beside White's Ferry, the only crossing of the Potomac beconversation we had a few Sundays back, ween the Behrery and Point of Rochs. "Wanna try my Super Sport?"



ASPECTICANS BLANCH-CONCOL AND AND AND IMMOVABLE PLASS. . . NOT WELKE-ID MOTORICYCLE TOURS.

Weahington's surroundings are an immorthe feest delightfully laid out for weekend motorcycle tours. The trip to White's Perry is a perfect Sunday outing.

as the fifth generation of Swalzs to work on the cenal, the fourth to have Swed in the lockhouse at Lock 21. Like the Pletchers, We rolled up River Road, the Maryland ertery paralleling the Potomec, and took the edge roads that caucht our ettention. The first was a dirt track running down to rthe bays run Metcher's Boat House on the tions, Senia's also rents bosts, canoes and bicycles. Senia's Lock is an idylike wooded etting to park the bike -- and go ruming Swain's Lock on the C&O Cenal There sendy-beired John Swain stends his ground canal point (Stain Bridge for several genera

like me, you tend to overshoot the mark. Creek, a remarkable spot where the canal in its operating days was actually transported over the tributary in a red-himestone via-duct. (Much of the red limestone you see in cand locks and buildings comes from the fahing or picnicking.
The nice thing about motorcycles is that That's what happened next at Seneci roa can always just stop and turn around Senera quarry.

close to the canal on peved and dirt roads, peaking through the splendid horse-raising country of upper Maryland. The rolling hills were dotted with impressive farm spreads, including Summit Hall, which boests "The cycle always seats two, so there's no need for a "motorcycle widow"), my lady and I stuck 'inest Horse Turf la America," whatever Simply by following our noses (a motor-

in Weshington was breething the same wan-derhat that Sanday, White's Ferry became a vertable motorcycle convention: Hondas, BMWs, a new Yamaha, lots of KZ 900s and of behave laws (Virginia and Maryland are resching their behave requirements this We finally linked up with three couples on our bites and took the back roads up to Abite's Perry. The conversation on the gramy bank ran for a while toward the evils number, but no such move is reported in the District). Then, as if every two-wheeler 000s, the occasional chopped Harley.

li's a great way to see the country-tide --about chrome headers or J&R exhaust sys-

or the ultimate tournobile, it's a great way And if you're city-bound, or simply itching

to get around town. The proof is already in

he streets.

is Weshington, where we're all trying so messengers, the only players for whom the whole Washington ballgame is really, a In the frantic, upwardly mobile hustle that hard to outrum and outsmart each other because we're all so bloody talented, it's not Jimmy Carter, or Edward Bennett Willams, or even Ardeshir Zahodi who's really having the most fun: It's the motorcycle

their bikes on a street corner during an felle Watch them sometime, slouching around moment (they have a few), walkie-taildes along over one hip, face shields pushed up, conytails flowing from under their belmeta. n the wilderness of the city, they're like independent prospectors in the Yukon ---

of these blithe spirits cute his BMW down pecticut, struggling to another appointment Never do I feel so unfrée se when l'in chained to a three-piece suit and a briefcase, bogged down in traffic on K Street at Conwhere there'll be no parking space, and one my sidelane, sips across the traffic and seconds later becomes a simple shimmer in the distance

Now, some of you drivers may think that this is dargerous, that motorcyclists in the city are a hazard to your health. Actually, the motorcyclists see it a little differently? They know it's dangerous, and they figure

you're one of the dangers.
But the very insanity of motorcycling in a city with traffic like ours (one part impethrill of it. Like the rollercoester to a fivetience, one part tourist) may be the true year-old, or skiing the Jungfrau to a 50-yearA suggestion to automobilists: The motorcyclist likes to think of the auto as the one known quantity in traffic, because drivers can't maneuver so fast. So don't get excited by the motorcyclist's maneuvers; just conyou do something really unpredictable, that's what can cause a skinned shin, if not linus along exactly as you had planned. If a broken peck

ened by the now-you-see-it, now-you-don't quality of our machines. The noise, up close, bothers some of you, too. But he sure of one We boys on the bikes know that there are those of you who are intimidated and frightthing: We're more scared of you than you E SOCIE

WEEKEND FEEDBACK

two PGA professionals, Billy Dillon and

Mark: (4505)

Vark: (48151)

nd, Navy Lose; Yankees Clinch East Division

The Washington Post

f) 1977 Washington Post Co.

SUNDAY, OCTOBER 2, 1977

Phone (202) 223-6000 Circulation 223-6200

nd Soviets Set Joint Goals for Mi

-An Angry U.S. Jewry

East diplomacy has beleaders of the Amerie of whom predict an dministration.

: some kind of role for anization in the Middle that most upsets Ameri-

will never agree to deal rican Jens will "support in the words of New

amunity is "very upset.

very unhappy," according to Rubbi Alexander M. Schindler, chairman of the Conference of Presidents of Major Jewish Organizations.

"One might almost go so far as to say it is seething to erupt right now." Schindler said in one of a number of interviews held last week before yesterday's U.S.-Soviet announcement urging Israel to grant a negotiating role at Middle East peace talks to representatives of the Palestinian people and calling on Israel to recognize "the legitimate rights of Palestinian people.

Burton Joseph of Minneapolis, national chairman of the Anti-Defamation League, and a friend of Vice

See JEWS, A14, Col. 1

Attempt to Push Israel, Arabs Towa

By Murrey Marder Washington Po L Stall Wester

NEW YORK, Oct. 1 - The United States and the Soviet Union declared for the first time today joint objectives for a full Arab-Israeli peace settlement.

A statement issued simultaneously in New York and Moseow in the names of Secretary of State Cyrus R. Vance and Soviet Fureign Minister Andrei A. Gromyko called for "a comprehensive settlement of the Middle East problem" at a conference to start in Geneva "not later than December.

The destaration represents an extraordinary attempt by the superpowers, who are intense rivals in the Mid dle East, to push the Arabs and Israelis toward a settlement even though Moscow and Washington at this stage disagree themselves on the precise terms of an ultimate agreement.

On its face, the statement, which grew out of a Soviet initiative, leans more toward Arab terms for a conference and agreement than it does on Israeli conditions. The United States and the Soviet Union set out their own agreed principles in these joint

· Withdrawal of Israeli armed forces from tecritory captured in the six-day 1967 war, which gave Israel

and : brac que mate pic Ara alu..

and Ars: Luce



ennedy, materiarch of the Kennedy family, was doctor of humane letters Jesterday at George.

town University. Attending were her son, Sen, Edward Kennesty (D-Mass.). left, and the Rev. A. P. Kelley, executive vice president for academic affairs.

Carter Opp Effort to B1 Western A

6) Bill Peterson W. mermarale .. Se .. Wint .

President Carter opposes a controversial effort to break up large Western agricultural landboldings into small, family farm units

Carter, in an interview with farm effices Friday, said he supports changing a 1922 law that restricts ownership of fainfand served by tell eral water projects in 160 acres per

pergin. Seres 820, 320 acres "Seventy-free years ago, ago across for a husband and wee for recigited for a husband and wee for recigited the President said. "Now, with massive development and large machinery, a

EXHIBIT Carter Sin tt-tated irmored la Imperial

Vesterday hindred farmers, courting plantes

Men's Fashio

By Henry Allen I Dress, Therefore I Am

OR A SECOND, for the briefest moment in the history of western male attire, it looked like all rules were off. Anything was possible, and, in the words of William S. Burroughs' favorite prophet, Hassan i Sabbah, everything was permitted, nothing was real.

In other words, at public occasions. except for things like board meetings of the American Cyanamid Corporation, any clothes became acceptable. One could dine, wed, gamble, grieve and garner honors in jellabas as well as dinner jackets; feather boas as well as four-in-hands; plus leather bondage straps, Qiana shirts that look like you've got them winched down snug to your underwear, lame and grommets and rivets and epaulets; jumpsuits and drawstrung Berber pantaloons; "Buns" underpants that would do for the male posterior what Howard Hughes did for the Jane Russell anterior, quadri-pleated British Army Hun-stompers; knee-high tree surgeons' lace-up boots; anything! Everything!

One didn't dress, one chose a costume. One became a revolutionary, or Ralph Nader, or divinely decadent, sort of an M Street version of Harry Crosby. Even the hipper Brooks Brothers faithful lapsed into self-joshing: "Christ, I can't help it. I keep swearing it's going to be Guccis and Ralph Lauren from here on out, but then I'm walking down L Street..."
Everybody was in show biz, following the dictum of the late Seventies: If you can't be good, be famous. If you can't be famous, at least try to dress like it.

That's the way it was.

That's not the way it is.
In the July 8, 1977, Daily News
Record, the men's equivalent of Women's Wear Daily, Clara Hancoz
writes, in her column, "Hancox
Here," that: "It's that peculiar and
uneasy time again. . . [ellipses hers]
the time when busy people actually
find time to stop and think a little
... to fish around for a feel of whether

. . . to fish around for a feel of what's happening around the market. Maybe there's something they missed? Continued on page 35



A Harris tweed jacket, in a weekend appearance, teams up with a bulky one-pocket sweater by Ralph Lauren for Polo and a suede vest, with pigskin gloves in the pocket and fuhing fly in the lapel, all from Britches.

By Ninc Assisted by Styled by M

RESS dressir The ted, ur suit ei more comfortable for men to dress. ease, the fit looser softer, the lapels r collar trimmed an med down. Tweed smooth finished w ticularly the narro for suits or sports: wool ties are abun are worn casually. shoes reappear, de softened in color.

A lot of it appear that's been in the long time. But dor your 1950s clothes wear industry wou that. This season's baggy as before, the and silhouette has shape and are a corecent and old sty

Clothes acquire toning-down of the cuts and the spiffy ones. The suit easi contrast vest for the the sweater can rep

This season's escentra jacket. It can matching pants as different trousers, both work and wee girded with a sweatake the place of a

The high cost of today requires suc the classic styling a of clothes makes the vestment. It's the fitweeds, the Doneg the Shetlands and that have pushed a choose less and chemical successions.

Versatility is po ning wear. A blue the gamut of just s sion but the office says one designer. the black mohair e go to the office set imental tie.

th so or over the 2.2 but No

Men, from page 21 Maybe there's a new goose appearing on the scene . . . and it's in the act of laying another golden egg?"

This tone of holocaustic messianism is echoed by men's fashion writers in Men's Wear, Gentlemen's Quarterly, Esquire, the ads and the market research. Two words keep appearing in the ad copy: "classic" and "confidence." Could this be because we have neither anymore? What we seem to be seeing is an industry-wide ego regression to the 1950s. As one ad puts it, trying to foist off both old bottle and old wine: "It whispers quiet British styling— SHOUTS VOLUME AND TURN-OVER."

Sportcoats are back! Bermuda shorts! Even that old pseudo-pukka-sahib badge of upward suburban mobility, yes, madras. One reads that collar pins add crispness. Halston promotes the "Halston impeccable blazer suit for today's captains of industry [italics mine]. Gentlemen's Quarterly has concocted "post-industrial chic," a phrase which would have pried a few smiles out of the original captains of industry, Carnegie, Rockefeller, etc.

"The juxtaposition of luxury and practicality is an intimate part of the Seventies sensibility," advertises an outfit called Pinky and Dianne Ltd. One senses a renaissance for the shorter-tip collar, Fifties-style, even the tab collar. One can go out wearing Bass Weejun loafers and a LaCoste shirt without fearing that he'll be mistaken for Richard Nixon's lawyer.

In short, profiles are low and anxiety is high. The idea is to be a right young man first, and a bright one socond. With less money around, one makes more conservative investments, as Lord Keynes pointed out. One buys business suits, non-pleated-front trousers, scarcely venturing even a Daks top, and cuffing the bottoms. Last year, generally slow for men's retailers, Brooks Brothers boomed. Their stock is low-risk, as they say on Wall Street. And, in the I-Ching-like language financial analysts resort to in a down market: "In times of uncertainty, investors move to the sidelines and adopt a wait-and-see attitude." nally, the Carter administration has not had its expected effect on men's wear—no sudden upvaluing of leisure suits, doubleknits or even clothing bags as accessories to be draped on the back, like the royal ermines, on occasions of state. But then, the Carter administration has not had its expected effect on anything.

To sum it up, nobody knows what's really going on in men's fashion. However, this will not hush the fashion experts, who exceed even out-of-office politicians in understanding what the American people really want.

What's interesting here are the reasons for the perennial failure of men's clothing to conform to any rationality. They are worthy of note to any man who is intelligent enough to remove the shoe trees before he makes his second try at getting the shoes on. There must be thousands of them. But if you've never considered clothing in terms of theory or philosophy, try on the following for size. (Don't worry about the color, it'll look different without the neon lights. The waist? We got a tailor. Whaddyamean nobody's wearing these, we can't keep them in stock

The Fallacy of Self-evident Truths

ithout getting too heavy here, let's just say that for the last few thousand years people in our part of the world have liked to base their arguments on self-evident principles, such as: this is either a piece of paper, or it is not a piece of paper. Who could argue? This is one reason the Founding Fathers said those truths were "self-evident" that men are entitled to life, liberty and so on. They were wrong, of course, but it sounded nice.

In fact, this mentality enchains us all, even in ephemera such as fashion, even in cultural backwaters such as an enlisted men's barracks in the United States Marine Corps. In 1964. On Okinawa, known to us as "The Rock."

Hidden in our wall lockers, there at Camp Schwab, were civilian clothes. Occasionally, I don't know why, we were allowed to put them on, like the Sioux Indians getting permission from the U.S. Cavalry to wear their ghostdance shirts.

I was a college kid. I had a brown herringbone tweed jacket, a blue buttondown shirt, a red-and-blue silk necktie and grey flannel slacks. Space does not permit descriptions of the Okinawan-tailored fantasias of my fellow grunts-the side-buttoned bolero pants with tenbutton, sateen-lapelled, double-breasted, gold-flecked puce morning coats over mock-lizard nylon body shirts, and so on. What I recall best was their astonishment as I put on my sport coat, my shirt, my slacks, their faces shrinking back like I was acting in some kind of Dino de Laurentis Biblical spectacle and they were the mob about to shrick "Unclean! Unclean!" and throw foam-rubber meks at

Ring around the collar? A bad case of rotten-locker smell? An old kick-me sign still taped to my back from a high school study hall? No.

"It don't none of it match," Corporal Tolari explained.

"None of what?"

"The coat. The shirt. None of it. You got a brown coat on, right? But you got a blue shirt. And the grey pants. It don't match." There was also the problem of my standard two-and-seven-eighths-inch Brooks Brothers necktis, this being an era in which my barracks buddies got nervous if their ties got any wider than their shoelaces.

So I asked a stupid question. "Why don't brown and blue go together?"

"Cause one's brown and the other's blue." "So what?"

I could see it going through Tolari's mind: if brains were dynamite, this guy Allen wouldn't have enough to blow his nose. Clearly, I was dealing with a self-evident truth, here. Like the one that says you never wear white socks unless you're exercising. Or a striped shirt with a striped tie. Or you never button the bottom button of your vest. Or let leg flosh show between sock top and cuff. We hold these truths, and nobody knows why. If the world's greatest democracy can be built on this kind of thinking, why not men's fashion?

Continued on page 42



Molf and phone * 347-1500 * 922 F St., NW = L. Tysons Cerner * Montgemery Mell * Bresches Op-Lote Every Hight * Shop Downtown Monday 10 your area plus \$1 delivery and \$1 C.O.D., as

You cannot wash the problem out of your

Washing and brushing your hair won't do it. The only way to attack the dandruff problem is at the scalp—second-skin deep. THAT'S where dandruff trouble starts. And that's where it has to be stopped.

Glover's Mange Medicine, a dandruff control medicine, as the answer. Because it combines petroleum oil with sulfur (to lubricate the scalp), you know that Glover's Mange Medicine will vigorously help to inhibit the development of dandruff. It provides temporary relief for dry itchy scalp and the scaling of dandruff. The scalp feels

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River, N

Vhere do you shop or fashion when you're oo big for your Britches?

ce 1883. George and Company has been store that has filled the fashion needs of ishinglon's biggest and fallest men. From iss-up to leisure wear Featuring brand mes tike Geoffrey Beene. Cincketeer Itan. Asher Jaymar Manhaftan. Enro 3g Cassni and Atleson of Rochester Big in sizes 44 to 66. Tall men sizes 387 to 567. Digger you are, the better we fit.

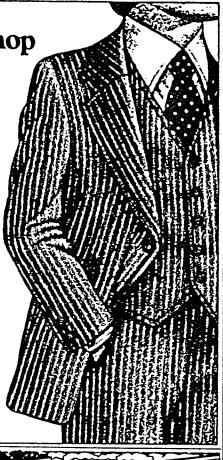


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N EVENINGS - PHONE FOR HOURS FOR CITEDIT CARDS HONORED





Mon, from page 35

On the Confucian Principle of the Rectification of Names

In a 1977 issue of Gentlamen's Quarterly, subtitled "The Many Faces of You," (a frightening thought in itself) you can read about a guy named Tom Fallon who works for a designer. Fallon says: "I don't spent a lot of time on clothes, and I don't time on clothes, and I don't much like to see men who are too perfectly dressed... I believe in the Seventies mixture of, say, an exquisite tweed jacket and \$10 khaki trousers."

Sure enough, in a photograph. Fallon leans with cautious insouciance on his bicycle, clad just as he sava. and shod in what appear to be middle-of-the-line, nonsafety-toe surplus-store work boots, somewhere in the Georgia Giant range, Economically, socially, traditionally, ethnically, and functionally this rig is nonsense. Especially when you consider that "\$10 khakis" have been replaced for years as work clothes by the stay-press, pre-crease jobs dyed in either that brown-green which is, I suspect, the precise color of the average dirt stain on the average trousers of the average customer of Sears or K-Mart or Montgomery Ward; or that grayed-out shiny blue that looks like the uniform for some other country's air force. But Tom Fallon looks terrific.

So did Woody Allen when he took Betty Ford, wife of the then-President, to a New York opening in tuxedo and sneakers. So does one Washington fashion doyenne whom I saw recently wearing those pinkish-clear-rimmed glasses you see on Yale and Harvard law professorsglasses which actually, in the 1930s, were dispensed by welfare agencies to the poor who wouldn't wear them out of shame, thereby making it possible for the rich to wear them out of modesty. And the doyenne to wear them out of whimsy.

This is the histus look. The histus look suggests that whatever one has been doing, one has just been called away from something else. One gains the panache of, say, a Ted Sorensen called off the squash court to arrive still

sweating at Hyanniaport to solve the latest Kennedy crisis. Hence the popularity of tennis clothes for one's Saturday shopping expeditions into Georgetown. Hence, the serious merchandising of a look which has you wearing sailing shoes, safari pants, and rugby shirt. The March, 1977, Gentlemen's Quarterly provides a list of fashionable footwear including construction boot, cowboy boot, hunting boot, motorcycle boot and ski boot. Never does the magazine suggest that these have any practical function, beyond providing the histus look. We may be stuck in the checkout line at Safeway, fiercely counting to see that everybody in front of us has the right to be in the tenitems-or-less line, but our hiatus look tells the world we just got off our trailer truck. horse, deer stand, Harley or expert's slope. Kurt Vonnegut once said that you are what you pretend to be. Despite the anappiness of this maxim, it never quite works, in real life. Neither does the hiatus look.

One is tempted to blame this willful confusion on an industry whose best minds can run on about slub filement polyester fortrel expandomatic encron strialine. However, old China hands among us may diagnose it as a failure of the Confucian doctrine of the rectification of names. Said Confucius: if everyone acts, speaks, and dresses according to his title, be he official or farmer or whatever, society will be in order. Confucius was not concerned about "the many faces of you." Confucius would not have approved of the histus look, or of Tom Fallon wearing a British country squire's sport coat with a garbageman's shoes. No doubt Tom Fallon always speaks well of Confucius, however

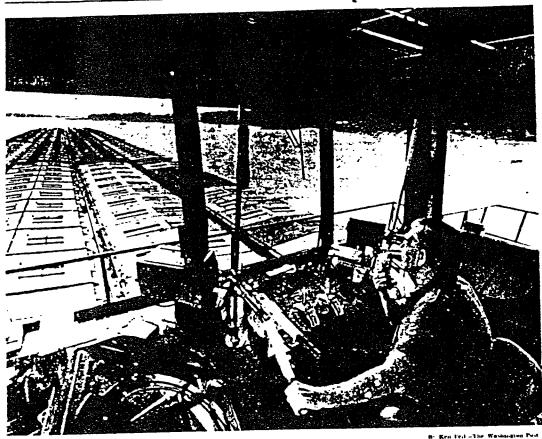
Unless he takes either the Maoist, Taoist or even Lin Pisoist lines, of course. Or a bit of all of them just tossed together! Here we're getting into the high fashion of the intellectual world, but why limit this to clothes? Imagine it! Wasn't old Hegel himself. with thesis battling antithesis, the father of the mix 'n' match concept? And what about that breezy new go-anywhere look that only semiotica (all the rage in Paris) can give you . . .



he Washington Post

SUNDAY, SEPTEMBER 4, 1977

Phone (202) 223-6000 Circulation 223-6100



eNeil shoves 21 harges covering five acres down the Mississippi River, radioing ahead to warn other barges of his approach.

Bill Roils Placid Life on the Mississippi

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Boats like the Bernard G., pushing long strings of barges upstream and down, can go hours without sighting a village, whole days without passing under a bridge. For long stretches, the mile-wide river is flanked by nothing but virgin forests and high sand bluffs.

Closer examination reveals, however, that the Father of Waters is no longer Mark Twain's magnificent untained torrent." Forty years of damming, diking and dredging by the US

Army Corps of Engineers have harnessed the great river, making it a reliable, predictable highway for the barge lines that move enormous quantities of grain, chemicals and fuel be-tween Minneapolis and New Orleans.

The considerable expense of the federal government's waterway work-more than \$1 billion annually, according to the Department of Transportation-and the competitive advantage it has given the barge lines over truck and rail freight companies have prompted repeated efforts in Congress to make the barge industry

See BARGE, A12, Col. 1

RVs and Bikes-Lifestyles in Motion

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America's Driving Passion:

By Phd McCombs ammigton to L Staff Willer

It is the dream of a lifetime," said Robert Cornell, 55, a rugged from worker from the San Francisco area

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The recreational vehicle phenome non seems to be nourished by deep wellsprings in American culture, a hunger to drift across the repaire of our continent and make its riters,

Arabs See To Halt Is West Ban

CAIRO, Sept. 3 (AP) - Saudi Arabia called on the Arab nations today to take concerted political action against Israel's plans to expand Jewish settlements on the West Bank of the Jordan River.

Syria urged diplomatic and eco nomic sanctions against Israel

At the same time, an Israeli Cabinet minister said in Tel Aviv that more settlements will be established in the next six months. He predicted that in 30 years 2 million Jews will be living in territories taken over by Israel in the 1967 Middle East war. Only about 8,500 of Israel's population of 7.5 mil hon now live in the occupied term torics.

Haraeli Agriculture Minister Ariel Sharon's plan to rapidly step in the establishment of Jewish settlements in occupied Arab territories apocars impractical and has little support within Prime Minister Members II. gm's government, but may be intended as a warning of a trial balloon according to observers in Israel Story, Page 3274

Vrab leaders are muching hone to map a unified strategy to talks : New York with American leaders late this month on prospects for peace a the Muldle Lasi

Speaking at the opening geson of a three day conference of the minuterral council of the Disaston V League, Forescan Monster Sand Faisal of Saudi Arabia Saul - We day to adopt a plan of action agenest these criminal measures and be resolute in the face of this flagrant challenge that endangers peace and security in the region

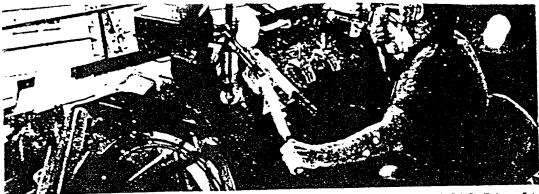
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America's Driving Passion:



Last of a series By Phil McCombs

Resemble Port Staff Wester

tr is the dream of a lifetime," said Robert Cornett, 55, a rugged iron-worker from the San Francisco area As he pointed at his large recreational vehicle, a little child ran from the nearby bank of the Potomac River and took his hand

Grandpa, I see a lish down there: and the child.

Cornett continued speaking with some emotion. "When we retire we want to tour this country and just live

house. We want to stop and just spend

The recreational vehicle phenome non seems to be nourished by deep wellsprings in American culture: a hunger to drift across the expanse of our continent and make its rivers, mountains and forests truly a part of

In another sense, perhaps, the phe numeron is not so unusual, for it is often the case that we look for more in our vehicles than mere transporta tion. We seek some sense of fulfill-

See VEHICLES, A16, Col. 1

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A similar appeal came from Malmoud Riad, the Arab League's secre tary general

After 30 years of claiming the want peace with us, Israel thally his divulged its aggressive, expansionist intentions in an attempt to impose a fait accompli and deprive the Pairtinians of their national rights," he said "We have reached to said. "We have reached to crossroads. It is now necessary to us to take definite political action

The Syrian proposal suggested that diplomatic and economic sanctions against I-rael be imposed by the Arab states and all members of the United Nations, Foreign Minister Water Halim Khaddam of Syria and the sanctions would be similar to thus Martel imposed by the United Nations on Ithodesia

Last month, Israel autounced it in-tends to build three new Jewish set tlements on the West Bank and to extend social services there and to the Gaza Strip, Arabs view these areas as the future site of an independent that

extinian state—which Israel opposes
Israel wrested the West Bank from Jordan's control, along with the Law, tian-administered Gaza Strip, E2ypt's

See MIDEAST, A27, Col. I

Sought to Scrap Watergate Tapes, Nixon Discloses

By Austin Scott Westington Post Staff Writer

Richard M. Nixon has confirmed that in 1973 he asked H.R. Haldeman to destroy some of the White House tapes that helped force him from office, and he says he now Haldeman had done so.

The former President, in the fifth telecast produced from his interviews with British TV personality David Frust, also says if he had thought there were criminal conversations on the tapes he "sure as the . . . dickens" would have destroyed them.

And in a long monologue of sympathy for his former law partner and Altorney General, he says John Mitch-ell's concern for his late wife Mar-tha's mental and emotional problems allowed the Watergate scandal to hap-

"If it hadn't been for Martha, there'd have been no Watergate, because John wasn't mindin that store." Nixon said. "He was practically out of his mind about Martho in the spring



in our RV," he said, "We'll sell our a week here and there .

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Vehicles Help Fulfill an American Dream

VEHICLES, From Al

ment, or to project a certain image of

Cars, mestorcy ries, buycles, mo peds and recreational vehicles are all put to these uses. The psychological thread that runs from Robert Cornett Sandra West, who was recently butied in her Ferrari, embraces us all

Living on the Road

"I'm quite concerned about the energy crisis," said Cornett "This is the only recreation we have This is what we do to get away from work and o gives us a chance to see our own conn try. That's what promised us to come here this year because we didn't know if we could come next year or not

The 1973 74 oil embar to and subsequent gas shortage led to a sharp to duction in RV sales in the US now the industry appears to be boom ing again and manufacturers expect to sell more than 500000 units this

They expect sales to continue rising despite the possibility of higher this prices as a result of President Car ter's energy program

Americans spent more than 54 bil tion on RVs last year, according to the Recreational Vehicle Industry Associ ation, with individual RVs ranging in price from a few thousand dollars to \$50,000

By 1981, RVIA spukesman Steve times said, some 948,000 more EVs are expected to be sold, although the rising cost of energy could throw a crimp into this expectation.

Cornett and his aife have a hand-some new 22-foot 6-inch llobin lloud "Sportsman" for which they paid "Sportsman" for which they paid about \$17,600. It has two beds that sleep four in the sparious interior; a kitchen range, refrigerator and sink, and a small bathroom with shower ted from a 55-gallon water drum.
It also has a 75-gallon gas tank that

costs Cornett more than \$35 to fill

with regular.
At 55 m.p.h. Cornett gets 10.3 miles

per gallon, which he said is about what his full-size 1976 Ford LTD nets in city driving. If he drives the RV at 60, however, he gets only 7.3 miles per Daryl Wigle, an RV salesman at Salgallon.

Lincoln-Mercury Spring, said that potential customers are concerned about gas mileage and emissions when they come to look at

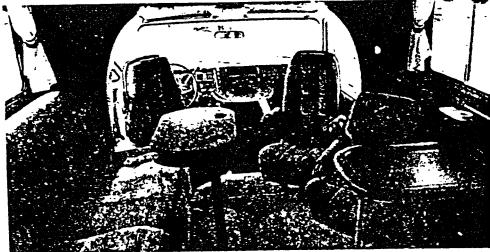
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"That's burtin' us" she said. "We've had a lot of people say. "We're going to wait and see what comes out of this energy situation.

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Cornett said he understands that there is an energy problem, but he is angered at the objections being raised to developments in the nuclear energy

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Tom attenuable Washington Pasi

Recreational vehicle has plush interior with swivel bucket seat for driver, soft velvet couch and chairs.

types from the laboring class to your executive class will have anything from little pop-ups to your big expen-SILE offers.

John W. Koons Sr., who sells R two of his Washington area dealerships, reported that large numbers of retired people are selling their homes and buying BVs. Koons himself has a bus converted into an RV that he uses to travel to Florida periodically with his family.

"It's thousands of retired peopleou just can't imagine how many said Koons, "I think this is wonderful for the people because it gets them away from the big cities. Everyone is scared to death in the big cities."

Kuons said RV people are invariably clean and never leave a mess in parks where they stay.

"Doctors, lawyers, retired judges this is the cream of the earth," he said, "Everyone is trying to help you in some way. They're very accommodating . . . It's like a tram."

Motorcycle Man

This year a lot of our sales is the new married couple, the married couple that needs something to stimulate their relationship," said Tom Heyser who as the owner of Heyser Cycle Sales in Laurel operates one of the largest motorcycle dealerships in the

lleyser has been a careful observer of changing social trends for many years. He described the kind of married couple that he said now constitutes 20 per cent of his eustomers:

"You see them come in with a kid maybe. Maybe the husband's a little borred. They're buying cheap bikes: that's an excuse for the buy. He says. Honey. I'm gons ride this to work and save money. The other day a couple came in with a list of mileages. He proved to his wife how much money would save."

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"That's the first thing a guy's got to do after a divorce - he's got to do

Heyser has noticed. He said there are a score of black clubs in the Washing ion area and that their long field trips and racing meets tend to be more exheld by white clubs

Perhaps one of the biggest changes in the motorcycle market. Hey er said, is the loss of the traditional youth market - the high school and college students who contributed to the motorcycle sales boom during the

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Motocross racing using small motor cycles on dirt tracks and fields has also absorbed a good deal of the youthful interest that used to be poured into street machines, Heyser said.

Motocross racing is highly organized. Its sharp rise in popularity in recent years seems to place it some where between the Soap Box Derby and Little League in the American scheme of things.

Heyser said that there are more 4.000 motocross riders in the Washington area, many of them as young as 8 years old.

"This has brought a lot of parents back together," said Heyser, "It's a good thing for our society. The parsupport it, they're out there with the kid. It gives the family some thing to do together."

While Heyser has watched these social changes, he said he has also been concerned at the way he thinks Japanese motorcycle manufacturers are manipulating the U.S. market and overcharging.

This business isn't fun any more. he said. "It's gotten so it's very difficult to be fair to the customer.

For example, Heyser said that a certain valve that cost \$1.49 in 1966 rosts

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Now Farnham, who has gray hair, a moustache and long sideburns, is motoreycling with a vengeance.

He has one of the biggest, fanciest bikes imaginable: A Suzuki rotary-en-gine BE-5 that cost him \$3,000. It is equipped with a windshield, air horns and other extras that make the riding pleasant.

Farnham even has an intercom system that books from his belmet to the helmet of his passenger so they can converse while riding.

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Farnham has a car that he uses for shopping, but he uses the motorcycle for commuting and weekend trips to

He's a little worried about motorists who seem to resent motorcycle riders.

"What they'll do is get up beside you and flick the steering wheel in your direction," he said, "I've had people chase me: I think I'm going down the road nice and peaceful and the next thing you know you got a guy tailing you.

Farnbam thinks some people may be jealous. "If you can't join 'em, kill

Keith Miles, 27, who works in the Interior Department's Fish and Wildlife Service and who has been a motorcycle rider for much of his life, has the same fears of ear drivers that Farnham has.

Miles grew up in Washington but went to college in the northwest where

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By Tom Alien-The Washington Pos-

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Cornett said he understands that there is an energy problem, but he is angered at the objections being raised to developments in the nuclear energy

"I'm not scared of that," he said. "We live near the Lavermore (Calif.) plant. Down below us in Diahlo Can yon they're putting in a (nuclear) plant. He said he is all for it.

Everyone agreed there is something pecial about people who travel in

The people are much more friendly than the ones who come in said Jim Hadden of the Safford RV dealership. "People come into auto sales and at times they're a little hard to get along with, whereas when something goes wrong with an EV. the people take it in stride."

He described RV owners as "people who take time to relax. They take weekends off. They're easier to get along with than people who push all

"It's a way of life." said saleswoman Wigle, who does a lot of RV traveling herself with her family. There's no one type of person who does it. All

types from the laboring class to your executive class will have anything from little pop-ups to your big expen-

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He said that in one case a divorced couple came in together, the man buying a motorcycle for himself and his former wife buying a small motorcyfor their child to race on dirt Iracks.

Heyser said that about 10 per cent of his customers are men in their late 40s or 50s who are seeking to break out of old patterns an find a new. more exciting way of life.

A good number of his younger customers are repeaters, he said: young men who owned motorcycles when were in their late teens during the 1960s and who are now in their carly 30s

He said that a majority of his cus tomers are middle income, profes-Monat or semiprofessional people.

A large motorcycle market has descloped among blacks in recent years,

Heyser has noticed. He said there are a score of black clubs in the Washing ton area and that their long field trips and racing meets tend to be more exciting and lively than similar events held by white clubs.

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overcharging.

"This business isn't fun any more." he said. "It's gotten so it's very difficult to be fair to the customer.

For example, Heyser said that a certain valve that cost \$1.49 in 1966 costs \$10 today.

"The Japanese go in and buy a mar ket and force the competition out with low prices, set up a very heavy dealer network and commit these businessmen to a heavy investment. Then they make all their money through obsolescence. They change their products so rapidly now that no one can get into the after-market. The average motorcycle is obsolete now in 3.1 years."

Wilfred V. Farnham, 49, has been in love with motorcycles all his life, but it was only when the gas crisis hit in 1974 that he finally bought one.

"When I was a lo-year-old kid in Memphis, N.Y. my sister was eight vears older and had a boyfriend who had an old police Harley." recalled Farnham, now a computer systems analyst with the Veterans Adminis-

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Keith Miles, 27, who works in the Interior Department's Fish and Wildlife Service and who has been a motoreycle rider for much of his life, has the same fears of car drivers that

Farnham has Miles grew up in Washington but vent to college in the northwest where he underwent a kind of psychological depressurization.

He didn't want to return to Washington and "play the political game. but when his Job required it, back be

"I grew up in the city and so I was conditioned to the callousness and the plasticity and all the buliroar that goes on here," he said. "People here really don't give a damn about anything. But I got an opportunity to go away and see that there can be an easstyle of living, that) people out there weren't as untight, that the air wasn't as dirty

Miles said he can see people taking their frustrations out on motorcycle riders.

"I sometimes feel like a target out there," he said, "People jump on my tail and try to stay with me. People are uptight, my friend."





The Washington Post

O 1977, Washington Post Co.

WEDNESDAY, MAY 18, 1977

Phone (202) 223-6000

added Addles

Classified 223-6200 Circulation 223-4:00

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of her husband, Justice William O. Douglas, on the C&O Canal. Story, Page B3.

und Near Area Califano Assails Run Slavinos Hospital Group

Lobbying by AMA,

Ruling Labor 1 Near Defeat in

By H. D. S. Greenway

JERUSALEM, May 18 - Israel's main opposition party, the Likud, appears to have won an unprecedented upset victory in yesterday's parliamentary elections.

According to a computer prediction based on early returns. Likud has captured one-third of all the votes east. The ruling Labor Party is in second place with slightly more than onequarter of the vote and the third-place Democratic Movement for Change has about 13 per cent of the vote. The National Religious Party is in fourth place with about 10 per cent.

The upset will mean the first real change of government in Israel's history. Labor, at the head of one coally tion or another, has ruled Israel since the nation's independence in 1948.

Likud leader Menahem Begin told cheering followers at his party head-quarters that he planned a "wall to-wall" coalition "with all Zionist parties loyal" to Israel. He does not have enough seats, even with Likud's natenough seass, even with Liging a nat-ural ally, the National Religious Party, for a majority in the 120-seat Knesset †Parliament).

Should the Labor alignment refuse to join a broad coalition, Begin may try to form a coalition with the left ofcenter Democratic Movement for

If neither the Labor alignment nor the movement agree, it could mean a stalemate and new elections.

Carter Cites 'Hard Choices' On Spending

By Austin Scott

LOS ANGELES, May 17-President Carter told the nation's second-largest labor union today he has to "make some hard choices about how we spend the taxpayers' money. We can't afford to do everything."

In a speech to the 25th annual convention here of the United Auto Workers, Carter was plainly responding in part to charges over the last few weeks that he has abandoned poientially costly campaign promises in favor of a balanced budget four years from now.

Those charges have come from assorted liberal Democrats in Congress and such groups as the AFI-CIO. But the Auto Workers are not part of the AFL-CiO, and Carter's recital of his accomplishments so far, plus his plans for the rest of his administration, drew frequent though mostly luke-warm applause from the 3,000 delegates to this convention.

Carter insisted in his speech, as he dut in the campaign, that it is possible

Japanese Ag Color Televia

By James L. Rowe Jr.

Japan will agree to limit the number of color television sets it experts to the United States to 1.75 million a year for the next three years, govern ment sources said yesterday.

Japanese and U.S. officials are expected to sign an agreement to that effect Friday In Washington. The level of Japanese exports would be substantially below the 28 million sets Japan sold in the United States last year, but above the export levels before 1976.

Officials familiar with the negotiations said the pact is also designed to encourage Japanese manufacturers to set up production facilities in the United States rather than ship com-plete or nearly complete TV sets to

The Carter administration has been

Oil Leases A Ry Secretary

Heirs



By Michael Kernan

I don't know if you could say we had heroes in 1935. But there were some guys at school that everybody was scared of.

Parents may try to influence our choice of heroes, but they almost never have anything to do with these other characters.

Because they don't know about

Because we don't tell them.

Bullies: Short or Tall, They're Scarey

I knew, He was at least 6 feet 4, with a long law and those deadpan eyes that looked at you straight on and when you turned your gaze away and came back they were still looking at

I was in the fourth grade, and so was he, and he lived in a small house in the hollow below our targe house. The first time my father went to see

See BULLLIES, B3, Col. 2

Encountering the Karmapa Lama. His Holiness Himself

By Henry Allen

The way I remembered it. Sister Palmo, the bald-shaven English Buddhist nun, said that His Holiness, the Karmapa Lama, could kill parakeets with a glance. She'd seen him do it, in his Tibetan-refugee monastery in Sik-

When I heard that His Hollness, said to be a peer of the Dalai Lama in spiritual authority, was coming to Washington, I decided to doublecheck my notes on that lecture of three years ago, in Boulder. Sure enough, I was wrong. Sister Palmo had said only that he could put birds into samadhi, samadhi being an advanced state of enlightenment/purity/saint-liness/oneness-with-all.

Still, it's enough to give you the willies, even if Sen, and Mrs. Charles Percy have put their imprimatur on him by putting him up at their Georgetown house, along with four of his 30-person retinue, all of which, and more, showed up for Mrs. Percy's lamb-curry lunch yesterday.

"Chuck and I met him seven years ago in Sikkim" said Mrs. Percy, add-ing that the 53 year old 16th mearns tion of the Gyalwa Karmapa, head of the Kagyu, or Red Hat, sect, had a "message of contemplation and medi-tation and serenity" Also, he requires no special accommodation of find, but, as luck would have it, "our rook is Chinese," Mrs Percy said

Mrs. Percy had expected S. Diffor Ripley and Robert MacNamara at the lunch. But Ripley "just called to say he had a cold," said Mrs. Percy, who didn't get around to recalling why Mac Namara hadn't arrived.

Fortunately, she was being helped In hosting the Tibetans by Molly Wh teliouse, over on Fuxhall Road Mrs wife of Ambassador Charles Whitehouse, took in Swami Muktananda and his entourage during their visit to Washington's couple of vears ago But His Holiness belonged to Mrs. Percy

See KARMAPA, B2, Col. 1





"There are seven other Justices back in the shade because they couldn't take the sun." Chief Justice Warren Burger told Douglas. There was music from the Canal Barge Musicians, a congratulatory tel-egram from Fresident Carter and the late '50s.

seven Supreme Court Justices gath-ered under a tree near the bust.

"That's more than a quorum," Doug-as replied. "I never was able to entice

"As a matter of fact, I think we canal) anyway, but I promise when ony of them the whole distance (of the

should rededicate the day to a hike, not for today, but another May 17th." Douglas, who suffered a stroke in 1974 and resigned from the Supreme

pain, looked frail and paused several Court in late 1975 because of constant

at the first canal lock to pay Douglass tribute as a conservationist, the man them Senators Henry M. Jackson and Thomas F. Eagleton, Repe. Richard L. park instead of a proposed parkway in to make the stretch of canal into a who had spearheaded the movement Several hundred prople,

to him. times between his sentences. During one of the pauses, his wife, Cathy, who had unveiled the bust, whispered

canal project. I thank you all for com-ing. I thank all those who have no portfolio but who have two strong legs and like to hike." "What I've been trying to say."
Douglas said, starting up again, "is
that many Presidents and numerous public officials have helped with the

The crowd stood in a standing ova-tion as Douglas was wheeled through

ception across from the place where the bust stood. the gathering. Many people clasped his hand as he was escorted to a re-

tograph. Ross got interested in doing a bust of Douglas last year after read-ing his autobiography "Go East Young Almost as sought after as Douglas was the sculptor of the bust, Wendy M. Ross, who works at Glen Echo Park in the Children's Experimental Workshop. People constantly thrust the program in front of her for her au-She worked from photographs

initially, doing the bust in clay. Later she spent time with Douglas and his

"The Park Service really got interested in it and decided it should be cast in bronze." Ross said. "I think the most enjoyable part of this has been in taking with him. He talked about the '54 hike and traced his history all the way till the canal became a park. Always, he was describing the W where he was born, or anywhere I think he's a great man." ad managed to escape from the city.

BULLIES, From BI

wasn't the same as Eddie Overrocker. at school. work for us, I went along, It was a Mr. Overrocker about doing some Eddie Overrocker at home

it was, he just nudged me around the playground a little. It was still prefty scarcy. I think he extorted my Wai-If he hadn't been twice as big as me, I would have been in real trouble. As nettoes from me but I have blocked it

in the back row of course) made a rude noise at Mr. Baietti, our history teacher, and Mr. Baietti, continuing his lecture, cruised cooly behind him and whapped the back of his head. Mr. Baietti was 6 feet 7. In the seventh grade Eddie (sitting

the Puny, a game where you try to break each other's spines by leapfrog-ging onto them. Every time we played was always getting into fights. At moon hour we would play Johnny Ride Lye Davis was another one. He suked like Mickey Rooney. He

tor and found this marvelous spool of wire so fine it was virtually invisible. Once he took apart an electric mo-Lyle got into a fight.

> schoolyard was a glant spider web which enmeshed 200 kids when they rate veterinarian. The next year it was discovered that Lyle was smart. I think it was then everyone saw Mickey Rooney in "Young Tom Edison." Lyle turned into a firstswings to flagpole, until the whole there, from branch to fence, from ran outside. Oh how they screamed wound it back and forth, here and Sneaking out just before noon, 2

came to school, the more he was talked about. Rumors. Whispers. Notes passed in study hall. Did the sheriff catch him inside Allen's Hardware at How these reputations came about was simple. The worse a kid got, the less he came to school. The less he liad he been sent to reform

to spend (we hours every afternoon doubled up on routes. Some kids had happened in the hall where powaited for the second bus. (To at school. It was supposed to have the school board money, the buscs teacher and gave him a black eye. All Rouillier had we knew was that neither of them was Ę word got around that Paul hit the geometry people

> some had their books thrown on the beat up, and some got pregnant, high and tempers short. People milling around the hall. Passions ran

glowering face for the rest of the year. He became a part-time legend, The geometry teacher turned up the next week with a black eye. And we none of them could touch Adolph he and Cadet Moriarty and some others. They were all pretty famous. But didn't see Paul Rouillier's handsome

hardt. You hardly even I name spoken. Like Jehovah. You hardly ever saw Adolph Neid-

ile had long dirty sandy hair that thatched over his dirty collar and hung down across his dirt-creased fo-rehead in a thick scimitar that he rarely buthered to toss from his eyes. His face was old, like those photos

mothers kept taking us down to have our vision checked. slit-eyed like Adolph And slit-eyes. We all tried to look it-eyed like Adolph Neidhardt. Our

lean jaw and a long pointed nose and of Dust Bowl migrants, with a jutting

denim jacket, a full generation before ile rode a motorcycle, wore a grimy

> ers and sisters. he didn't go to school. Impossible to imagine him sitting at some kitchen table. Making his bed. Having brothnome. No one knew what he did when Brando. A Kerouac who never

school, Adolph Neidhardt smoked con-stantly and publicly. Could dangle a butt from his mouth and talk at the same time and not get smoke in his would light up a (straight) eigarette behind the coal shed even after In an era when only a daredevil

die Overrocker swaggered up and said dramatically, "Boys, a moment of si-jence Lucky Teter is dead." Lucky Teter was the Knievel of the eyes. Not that he talked much.
Once I was with some neighborhood kids talking motorcycles with Adolph Neidhardt, who said nothing, but greeted his peers with a curt upward nod, an imperial jerk of the chin, Ed-

shut up, less in grief than in shock at Eddie's mawkishness. Adolph Neidhardt didn't bow his head. He took the county fairs. We bowed our heads and rigarette from his mouth.

he roared up behind me on his -the heck with the second bus-and lime I was walking home from school I saw him two other times. The first

slowed down, closing in on me. I turned, heart pounding. Nobody else in sight. An empty landscape. Adolph Neidhardt and me. I stopped. He stopped, squinting stonity at me, engine clattering. I could have touched him. ley. I stepped off the

macadam.

I guiped. "Hey kid," he said.

"You want a ride?"

My mouth dropped, "Uh," I said.

I climbed up behind him. I had never ridden a cycle before. Clung to weren't supposed to the saddle springs because I knew you weren't supposed to hang onto the

in a shattering blast, we took off. I leaned with him on the curves. The countryside blurred, He dropped me lonished in his dust cloud as he gunoff where I pointed, near our mailbox. ceft me without a word, standing as-

gan's where he was standing on the corner with some of the other big guys. His negligent glance passed over salute from the waist. me. I raised my fingers in a diffident A week later I saw him outside Ho-

He nodded his chin one millimeter.



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U.S. Ste Underc Raises I

By Colleen Sullivan

The nation's leading steel er, U.S. Steel Corp., announce 6 per cent price increase ya day, virtually assuring a reof 1 to 3 percentage points .: increases on steel products at two smaller companies Friday

Administration officials, wh eized the 7 to 9 per cent rises thepublic Steel Corp. and Young Sheet and Tubb Co. as infla-expressed relief at 1 8 Stenouncement

We do not find it out of him a spokesman for the Council. and Price Stability

We welcome this respectate Robert Crandall, the councils director "My guess is that it. We're pleased that it was large as the other communication

I S Steel as the mainstyreperally sets the practicart smaller furns to tollos. It is able but highly unlikely rate set by U.S. Steel could getted across the board by the of other producers. But indiaservers said vesteron some unlikely to be rejected. The that the boost falls to I be with istration expectations and it is a time when the stock masdesperately lobbying the admition for telect from for each

Charles L. Schuffre, cha-the President's Course Fof E Advisers, said he had home. reases would be closer to 5 But he said he hope a tout 4/8 increase "is closer to the percentioners will follow."

In a statement issued to U.S. Stret said the 6 server the prior of its Hattoffelt. and plate products to tak time B is considerably le

LS Steel's base processing tell would be more, see to a

at tolled (produ 🧸 🤭

TUESDAY. MAY 10, 1977

DI



imidate Alfredo Evangelista during physical examinations at Capital Centre angelista points to his head and says, "Luco, loco."

Magic Is Missing In Ali's Attempts To Promote Match

The whole scene was tawdry. It was like watching an aged fan dancer playing to a politely distant audience. Muhammad All, now 35, sat on a 'able in a corner of a weigh-in room at Capital Centre yesterday, waiting his turn on the scale.

He was hunched over, keening in a high-pitched voice that familiar Alihype, "I shall deecestroy, I shall deceestroy.

Itis voice had a repetitive singsong quality to it. But you could almost tell his heart was not in it. He did not believe his own slogan this time

He went through a beautiful ex-change with Bundini Brown, some-thing about butterflies and bees. Brown's eyes were riveted on Ali's face as if he wished he could stoke All's interest with his own concern.

But it was no use. The trademark tantrums, the expected brangadocio about being the greatest, the preening and posturing are a thing of Ali's past. "I don't never predict the rounds for the knockout anymore," he said softly, his eyes flat.

ilis handshake is limp and his

palms surprisingly damp. He was weighted at 2241, "What do you think about my weight" he asks, patting his stomath as if hoping to be challenged. But he shout the life the life the store there it. stops there. His face is dull. There is a ear under each eyebrow like par entheses to his former perfection

"When I Iought (Jimmy) Young here last year, I was 230. When you all stop writing about my weight then I know there's nothing to worry about I can get down to 220 easy in one week, but I don't want to be too weak." He looks like he doesn't care one way or the other.

He goes through the motions of a press conference. He holds poses for the photographers and herds the reporters to their chairs. But the magic is missing

One of his group hands him a pack of trick playing cards on one and Mr manages an awkward sleight of hand trick There is polite applause and Mr is smart enough to know his audience is not impressed

Joan Ryan

He puts the eards away and tries to pantomime rage at the latest of his nobody challengers, this time a 22year-old shaggy-haired Spaniard from Uruguay, who is known as 'Fl India.'

Alfredo Evangelista is 6 feat 1, 214 pounds; his hands are laight them Mi's Each of his knuckles is pudded

See RYAN, D6, Col. 1

Norton Says Ali Needs Evangelista

NEW YORK, May 9. Ken Nation taunted Muhammad. Als from after to day after timshing the hard work his 12 round bout against Die to Dilinek Wednesday might at confision Square Garden

"I don't blame Ali her boxing (Mfredo) Evangelista," Notice Sin "He blew up in size while making inmovie and needs a fight like that I can't rap him for not meeting one of the top three or four contenders until he gets a bout like that under his beli

"He was very smart. But I think they should bill it as a nontitle fight or an exhibition bout, not a cataly-in-Ship "

Norton was affudiud to I van clieba being a "compromise choice" ranking as No. 10 contemler by the World Boxing Council The World Boxing Association had ranked the

See FIGHT, D6, Col. 1

Iotorcyclist





A year ago, when defenseman Dun twrey was benefied during th series. Bowman pickett up a i per expecting to see a glowing account of how the Canadiens had crushed Philadelphia the night before instead, prominently displayed, was a story of how Awrey had been deprived of his seat in the press box

See STANLEY, D3, Col. 5



Muhammad Ali tries to intimulate Alfredo Evangelista during physical examinations at Ca₁. but Evangelista points to his kead and says, "Loco, loco."

Sweet Life Is for Motorcyclist



of Richardson.—The Washington Pres

tlan Lane and his 250 Yamaha are outclassing the small cycles but are not quite good enough to take the monster bikes.

of himself as he blasted back into the pits at Summit Point, W. Va. hunkered down over the long, slim gas tank on his 250 Yamaha roud racer

Late looks sweet when you're 22, you have long blond hair and a quick easy smale and pretty girls are running at you so my they we got a whole roll of film of nothing but you kicking the pants off ever-body else at the track

have slipped off the white full lare belinet and rolled his green leathers

Angus Phillips

down on the tail rate of his mobile garage a tire and parts-strewn step van with Maryland tags,

"I need some competition. You can't learn anything running our front it got so had with the 250s I slowed down and let one may pass me so I could the some racing

It was Sunday and Lane had just on away with two straight races. First be made nuncement out of the other 250cc grand prix riders. He actu ally dal throftle down once to let a water cooled Harley road racer by, then came back and whipped him

Then he moved up a class, taking the same 250cc loke out attainst 250cc screamers. The straightaway at Sum mit Point is about three quarters of a mile long By the final law Lane was braking for the turn at the end of the straight before his nearest 350cc rival rolled into view at the top of the

What makes Buckville's Alan Lane a winner" "Most of these bikes are about the same It's just a matter of who's willing to hang it out," he ex-

Alan Lane was hanging it out all right, but he had one more race to go and there just wasn't enough to go against Big Gritzly, John Fuchs'

See PHILLIPS, D4, Col. 1



Navy Jirst baseman Pro same played at the

Simmon

ST 1.01 IS May 9 - M: mons hit his sixth home. season leading off the ber-10th union to ave the St. . doubs a 65 victory over a Cincinnati Reds tonight

Simmons' drive over the wall came off Dale Murra: just entered the game, are! a seesaw struggle the Car ned in the righth on Kert dez' fifth homer

The Cards survived a big a threat in the minth mining

Baseball's Future Hinges on Its Relati

"In many ways the minor leagues one already become a myth. Callege museball is the future of the game. It way be the solution to our financial

> By Thomas Boswell Washington Pat Staff Writer

When Jerry Kindali broke in with the Chicago Cubs fresh off the Minne Luta University campus in 1956, he did ... need a name.

"They just called me 'the College recalls Kindall. "I was an

Kindall looked around him and lound only one Cub teammate who had been to college-Moe Drahowsky of Trinity

Since then everything has changed,

When Kindall played shortstop for those 1956 NCAA champion Gophers, such credentials didn't cut a bit of ice with the pros. "They looked down their noses at us," says Kindall

A long way down. College baseball ras considered on a par with some obscure Class D rookie league. Shyeps skin and horsehide weren't supposed

Now, nine years as a big league player and a dozen seasons as a sid lege coach later, Kindall finds him

Last week Kindall's Arizona University team—the defending NCAA champions-hosted the final game of series in Tucson against Arizona State, For the third straight day Arizona's 10,000 scat park, largest college stadium in the nation, was sold out. Pro scouts dotted the box scats.

"Hight now colleges are the major league's chief source of players," Kindall said proudly. What was once a relationship of mutual disdain is now what Kindall calls "a very happy mar riage" between college and pro ball.

From the commissioner's office to

the cluttered desks of generers, the words "college base on the tongues of organized leading citizens.

It is the undeniable directgame, they all say, and nos salvation in these econor.

"It is one of the best kept sports," chuckled haseball somer Bowie Kuhn "that 67 of the players on major lengt. last year had attended college

"I don't know if that percoget much higher But the college players has gone up ...





Burns Moore goes sliding and tumbling on his Yamaha 350 as Alan Lane chases leaders John Fuchs and John Sorensen in

Bigger Bikes Prove Too Tough for I

PHILLIPS, From D1

1100cc cross between a Honda and an angry water buffalo, or TMB Racing's 1000cc Kawasaki.

It was the final race of a brilliant, crisp day; like a good floor show the best was saved for last.

Fuchs and Canadian John Sorensen aboard the TMB Kawasaki battled hose-to-taillight, with Lane hanging on gamely despite a clear power disadvantage in the straights.

Lane stayed in by blasting carelessly through the turns on the light Yamalin. On the fifth lap he remained two bike lengths back and just on his tail was Burns Miore of Kutztown, Pa., on a Yamaha 350.

They throshed through the esses,

Sorensen up by inches over Fuchs, their engines growling and whining as they cracked through the gears. Then came Lane, cutting the inside so sharply his back wheel fishtailed wildly.

And then came Moore, hard on Lane's tail, following the youngster's dangerous line and fishtailing, too. The slick rear tire slid out to the right as Moore turned on the juice. He cut back the throttle to bring the bike back, but he overcompensated and the tire swung through the line and back out to the left.

It's the worst crash in motorcycle racing: the highside. Moore leaped off the slender machine as it bounced off the pavement and flipped over. It sild unlimit to track's edge as other

bikes scrambled around him. Moore then climbed to his feet, grinning.

The grin was a good sign, but the crash ended Moore's racing for the day and spelled doom for Lane's chances. Enough gas and oil spilled to slick down the track in the turn and Lane could barrel through no more. Sorensen and Fuchs pulled away.

At the end the two superbikes were nose to nose, as they had been all the way through the 160 m.p.h. straights and the terrifying esses. At the final turn Fuchs passed Sorensen, but the Canadian came back and retook the lead coming out. The Big Grizzly growled angrily and Fuchs cranked it up beyond red line. Chins slammed uplinst fuel tanks, the two riders had

it out. The Grizzly had the chalf length at the wire.

It was a whale of a race, as like the ones that preceded could be

The Western/Eastern Road Association races at Summit! for the most part idylic camping sessions with the twice-hourly dashes across phalt. Almost anybody with a ride, and most of the racers for Mittys from Washington, vania, the Carolinas and claround the Mid-Atlantic stat

"There's really no excuse me if you've got a bike here," chael Parrotte of Rockville got a class for anybody."

Parrotte's partner, Bruch

Clem Florio's Graded Picks at Pimlico

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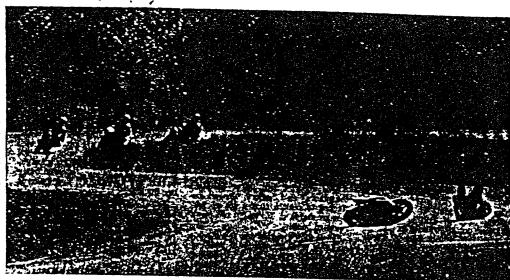
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ne chases leaders John Fuchs and John Sorensen in final race of the day ne's chase of the bigger bikes was in vain.

Too Tough for Lane's 250 Yamaha

mbled around him. Moore ed to his feet, grinning.

t was a good sign, but the ed Moore's racing for the spelled doom for Lane's inough gas and oil spilled own the 'track in the turn could barrel through no ensen and Fuchs pulled

nd the two superbikes were se, as they had been all the ch the 160 m.ph. straights rrifying esses. At the final s passed Sorensen, but the came back and retook the ng out. The Big Grizzly skilly and Fuchs cranked it red line. Chins slammed it tanks, the two riders had

it out. The Grizzly had the edge by a half length at the wire.

It was a whale of a race, and as unlike the ones that preceded it as it could be.

The Western/Eastern Road Racers Association races at Summit Point are for the most part idyllic summer camping sessions with the bonus of twice-hourly dashes across the asphalt. Almost anybody with a bike can ride, and most of the racers are Walter Mittys from Washington, Pennsylvania, the Carolinas and clsewhere around the Mid-Atlantic states.

"There's really no excuse not to ride if you've got a bike here," said Michael Parrotte of Rockville, "They've got a class for anybody."

Parrette's partner, Bruce Gulling,

was busy proving that. He brought his 750 Suzuki street bike along and had a ball in the practice sessions until he flipped in the esses. The damage: a scraped arm, bent handlebars, a cracked brake fluid reservoir and no more racing for awhile.

"We get a lot of wrists, collar bones, less, but nobody ever gets killed." said Peter Frank, an orthopedist from Philadelphia, who gave up his practice 18 months ago to devote full lime to pumping WERIKA. He believes the organization's 88 yearly races provide a relaxed alternative to the Alterican Motorcycle. Association's four higmoney road racing events.

The next motorcycle road ricing weekend at Summit Point is July 30-

31. The tariff for spectators is \$7, including camping, pit passes and the right to wander around the grassy farmland that is the infield and watch from just about any safe vantage point.

A little braver? You can join the competition for \$21 to race in your class and \$9 each for any higher classes you'd like to race among.

Novices on their first runs can take a free rider school class at 8 a.m. the first day, when instructors show them the lay of the track and take them through once.

Meer that they're on their own, with a big "X" taped across their leathers to let the old pres know who's who.

Race Charts at Rosecroft

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Ms. Bo's Graded Picks at Rosecroft

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Ms. Bo at Rosecroft

Ms. Bo, The Post's harness racing handicapper, has been given a mythical \$1,000 bankroll to use as she wishes.

Money on nand Money wagered \$952,50 \$1,232 Monday results—Three winners in three races, Wagered \$55, Payoff \$64, Profit 29

TUESDAY BETS
Second race -- \$20 on Golly Bain, sharp class drop, pared very last final quarter in fast

Third race -810 to win and 820 to place on Herschelman, jogged from Post B in last

Ninth races S18 to box the triple Shadydale Regis, Grace Coursel and Nitro Yankee

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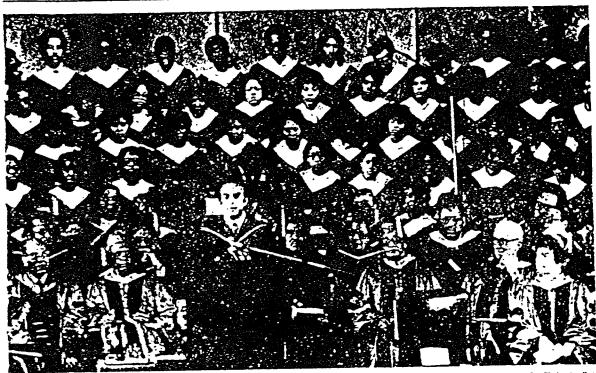
he Washington?

No. 38

THURSDAY, MARCH 3, 1977

Phone (202) 223-6000

EXHIBIT



ador Andrew Young, flanked by Howard officials and dignitaries, speaks at the convocation yesterday marking university's 110th anniversary.

ıg: Blacks Should Help Shape Foreign Policy

n Post Staff Writer

sador to the United w Young, in a speech iter, Howard Univerurged black Amera more active role in , country and in shapin policy toward black

to get about the busiig the destiny of this

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nation because it has shaped us too much and we don't like the image." Young told an enthusiastic audience of students and faculty at the predominantly black university.

Black men and women in the United States can never be free as long as black men and women in South Africa are not free," he said.

Speaking on broad foreign policy issues in a manner uncharacteristic of previous, more cautious U.N. ambassadors, Young said there was from gut domestic issues such as unemployment, and urged the siudents to lobby Congress and get involved in the political process.

He told the students to "see your congressman about repeal of the Byrd amendment," which makes it illegal for the U.S. to boycott libu desian chrome.

"The vote on the Byrd amend ment," Young said, "is a vote on

the commitment of the United States on majerity rule in Africa. You can make an impact by letting congressman and nur know that you are concerned."

"We came out of the Kennedy and Johnson years with excellent domestic programs," the former Georgia congressman said, "but they foundered on the shores of Lictnam.

Young quoted the words of his See VOUNG, All, Col. 1

Gonza Resign

By George Lardne: Wastengton Post Staff & In an indignant lett

Speaker of the House, It B. Gonzalez (D-Tex.) subresignation as chairma House Assassinations + yesterday after an admitt effort to take charge of :

He accused House leade: to back him up in his struccommittee's chief counse Sprague, and said that afternative to mutting in cumstances that now exis-

Accusing Spragne once management, insubordina loyalty, Gonzalez demoun "an unsernoulous inchy. conscionable scoundrel " 5 has thus far had the balrest of the 12-member co: no comment

Apparently caught ! House Majority Leader (I) Texa said he doubted : tion would survive at all zalez can be persuaded t mind.

The volatile Gonzale, resignation letter in terms ibly made his departure and funal but, under a : tablished just two years to the House to accept of

Speaker Thomas P 3 dr. (D-Mass.) said he schedule the issue for until he first had a ch., to Gonzalez and try to a Gonzalez has been bedr. in his San Antonio home 12 days

O'Neill refused to spethe House might do if mains adamant, but not bers seemed agreed that kill the entire investiga murders of President : the Rev Martin Luthe

Massacre of 2 Tribes Reported

Choosing the Right Motorcycle for Yc

Thareden, Merch S. 1977 THE WASHINGTON POST

By Angus Phillips (Second in a series)

What kind of bike is right for you?! The old saw in motorcycling is that the ideal bike has a balance of power and handling ability. Too much power usually means too heavy a bike; a light bike generally will be underpowered.

You want a motorcycle that corners well, that's heavy enough to hold the road, that's got the power to keep up with the Detroit behemoths on the highway.

Traditionally, that means you want a

Motocycles are measured in engine size: 500 is a 500 cc engine. To my mind that's the bike that can give you the perfect balance of weight and power, whether you weigh in at 100 pounds or 220.

The 500 that appeals to me, and has for four or five years though I've

never owned one, is the Suzuki Titan, the so-called iron horse.

It's the cheapest big bike on the market today. List price is around \$1,395 and they often go for about \$1,200.

The Titan weighs a little over 400 pounds, which makes it maneuverable in town, and it puts out 45 horsepower, which means it can get up and go, even with two aboard.

But best of all about the Titan is that it's designed to endure. It has a low-compression, two-stroke engine and even if you abuse it, it won't abuse you. Carl Chatzky of Baltimore had one for years; maybe he still does. He never did 30 where he could do 80, he never checked the oil, he never washed it, he never did any maintenance. It wouldn't quit.

Which is not to say there are no other good bikes. And one nice thing about motorcycles is that it's not impossible to get a good used one.



People are forever selling bikes before they're even broken in. They get married, they don't like the cold, the bike gets a flat and they don't know how to fix it, so they sell.

how to fix it, so they sell.

That means you can pick up a low-mileage bike with nothing really

wrong with it for a suit

I have never bought a n last two I bought were e gains. I drove each for months, decided they we and sold them at a profit.

Getting a bake that suit is largely a function of your needs. If you want have no intentions of e and don't use major high from work, you can get slightly smaller model. If travel, think big.

The Honda 350 is a goobike, so is the Suzuki 380, new or used, should bresetbook. Even a 250 will d travel, but going any smirestricts your options and your safety.

If you're into highway about the Suzuki Titan the 750, the big roadhold:

Teaching Kids the Good Fight

BOXING, from D9

until just recently using borrowed equipment and his own money. His emphasis on strict discipline and development of individual skills has produced remarkable results.

For three straight years he has produced the AAU championship boxing team from his small stable of area youths at the Oakcrest Community Center. In 1974 he was AAU coach of the year. Last July he realized a coach's dream as he watched his most celebrated protege, Sugar Ray Leonard, win the light-welterweight Gold Medal at the Montreal Olympics. In February, 10,000 watched Leonard win his first professional bout at Baltimore Civic Center.

"I love working with kids." Jacobs said. "When we first started we never thought about it. It was a community thing. We never thought that we'd be going to the Olympics. We never thought how far they'd go in tournaments or even if they'd stay in the gym. But once a young man gets involved in boxing, it's bard for him to ouit.

One main reason is you take them off the street cue them a place to go, put them in a program where, who knows they may wind up with a scholarship that could take them through college.

A young boxer interrupted, waving arms buried almost to the elbows in black gloves the size of the catcher's milts known as spitball specials.

"I can't box in these," he complained.

"If Sonny Liston could fight in those

she got that hook down pretty damn good.

Of the 35 currently involved in the Center's programs, the most notable is Olympic medalist Leonard.

"Jake deserves it all," Leonard said.
"He's the man of faith. We do the running and take the punches, but he's all dedication and sacrifice. Putling discipline into kids, taking them off the streets. He'll show you the basic fundamentals and techniques and then it's up to you to master them. He'll do his job, if you do yours."

Leonard has chosen to remain with Jacobs, using him as trainer and assisting him at the Rubini Center.

"We all worked towards going to the Olympics," Jacobs said proudly. "We trained for a style—a clean style. Our fighters worked for international matches. We were ready for them. After the Olympics, we were getting 25:30 calls a day. Personally, I'm glad because when we started here, we weren't looking for anything. It hasn't ended at the Olympic Games either. We've still got fighters to bring up and now we're looking toward a world championship in a couple of years."

championship in a couple of years."

Johnny Tibbs is 14. "It's something I want to do," he says, scraping his fout along the floor nervously. "I like to fight." I like to stay in shape. Like to stay in the gym: it keeps my head to gether. I like to spar rounds. Do all my work that I've got to do in the gym."

After six months of training daily at the Center, Johnny has had five fights and won four trophies.

"It was the atmosphere here mostly," said Mike Watts, 19, of Lanham. says, 'you might think you're cheating me by not training as hard as you should, but you're hurting yourself. You might need that little bit extra.' He's telling the truth."

"We have a lot of fun." Jacobs said in his small office lined with trophies and photos. Kids come in just to watch. You always have followers. Sometimes you can't push them out.

"With big bags and sparring, getting them ready in the gym is no problem. It's really no problem working them Preparing them mentally, each is different. In a fight, I have already prepared them, so I don't worry But sometimes in a tournament, a fighter has got to fight above himself. Then I'm always sitting with a towel in my band. If he gets hit two or three times, I'll throw in the towel.

"Anyone can step into a ring. The hardest part is working in the gym."



In the Rubini (

Sugar Ray: Key to

By Sugar Ray Leonard

Boxing is an individual sport. Once you are certain that you want to be a boxer, you realize that you will need self-discipline like a doctor or a law-

Learning to box is simple: roadwork to prepare and condition your body for training, exercise to develop coordination and strength, shadow boxing and developing your punches, bag work to increase your punching ability soarring to develop your timing



The state of the same of the s

orcycle for Your Needs and Bankroll



forever selling bikes beeven broken in. They get / don't like the cold, the lat and they don't know to they sell.

s you can pick up a low-

wrong with it for a substantial discount.

I have never bought a new bike. The last two I bought were extreme bargains. I drove each for a couple of months, decided they weren't for me and sold them at a modit

and sold them at a profit.

Getting a bike that suits your needs is largely a function of delineating your needs. If you want to commute, have no intentions of ever cruising and don't use major highways to and from work, you can get along with a slightly smaller model. If you want to travel, think big.

The Honda 350 is a good commuting bike, so is the Suzuki 380. Neither one, new or used, should bresk your pocketbook. Even a 250 will do for in-town travel, but going any smaller severely restricts your options and, in my view, your safety.

If you're into highway travel, think about the Suzuki Titan, the Honda 550 or 750, the big, roadholding Ducatis. If

money means nothing, there are the King of the Road, the smooth, powerful and inordinately expensive BMW and the Sultan of the Universe, the top-of-line Harley-Davidson.

None of these blkes is perfect and if you're buying one used there are things to look out for

First is mileage. Any bike with over 10,000 miles on it, except perhaps BMW and Harley, has had substantial use. If that use has been careful, it might not mean trouble. If the bike is hanged up, dented, has wires loose, is leaking oil, if the clutch slips or the brakes don't grab, it's an indication the owner hasn't taken care of it. It's probably a basket of trouble.

So look for a bike with under 10,000 miles. The price won't be that different. And I'd ask the owner if he worked on it himself. If he changed his own oil, did his own tuneups, knew how to change a tire, I'd consider those encouraging signs.

Some of the most butchered bikes are ambushed in the shops by underpaid, inexperienced mechanics. And when you buy, think about parts availability. If you're buying a used bike, make sure the model is still being produced and that there's an outlet near you that seems reasonably healthy.

Some of the finest bikes ever made are the British twins—Norton. BSA. Triumph. But the manufacturers are in trouble and no one knows whether they'll be solvent from year to year. It makes buying risky.

The big sellers—Honda, Yamaha, BMW, Harley, Suruki, Kawasaki—have numerous outlets. The Italian Moto Guzzi and Ducati are harder to find.

Once you get your bike and start buying parts you're going to have to know how to put them on. That's the subject of our next installment: Working on your good bike

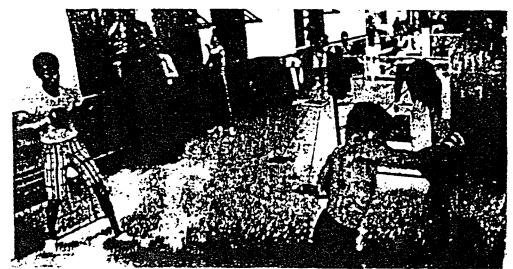
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n step into a ring. The working in the gym."



by Ken Pall - The Washington Pro-

In the Rubini Club, Dave Jacobs coaches Ken Chevalier with the heavy bag as others train.

gar Ray: Key to Boxing Success Is Dedication

ear Ray Leonard

n individual sport. Once in that you want to be a alize that you will need like a dector or a law-

box is simple roadwork and condition your body exercise to develop contrarength, shadow boxing ng your punches, bag ase your punching abilito develop your timing



The jab is a short punch thrown from your shoulder, straight out, then returned with the elbow acting like a piston. It is an important punch because it keeps your opponent off balance, drawing him closer or keeping him farther away.

Extending your jab will bring you one step closer to the mirror. Always remember to keep the leg on the side you jab with ahead of you to maintain balance. Like walking, never put one foot across the other. Balance is the main point in a boxer's career

If you don't get them right away it takes practice. They're ample, but they're not easy.

Working on the heavy or speed bag will build up your confidence, because they're not going to hit you back Working the bags you develop power and skills. The heavy bag develops your punch. You feel whether or not you are throwing them properly. The smaller or "pennut" bag is called the speed bag, because it is in constant motion, helps your hands develop speed and coordination. Once you can hit it have consecutive times your speed in

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

Mark: CERIST

Exhibit 122

WEIGHDE-KZSTOBONNEWITIEWINNER

FOR THE TOURING AND HIGH-PERFORMANCE MOTORCYCLIST

FEBRUARY 1977

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HARLÉY'S WHOLE

HOG

EXHIBIT

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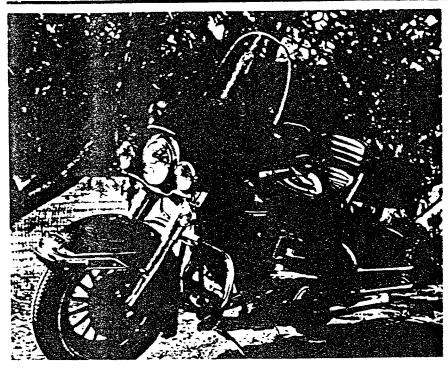
Most say archaic, some say right on

We have just completed testing the Harley-Davidson FLH 1200. Controversy rages. Most of us are critical of the bike. Ordinarily, this would prompt us to express this criticism throughout the test. Even here, we voice majority opinion as a single opinion.

The state of the state of the state of

BY THE STAFF OF BIG BIKE

But there are a few here who are not critical of the bike. They are, in fact, so adamant about the bike's virtues that we have included their opinion in a separate section. Further, it is generally agreed, by all of us, that those among us who



DISSENTING OPINION

Once again, Harley-Davidson has carried on its tradition of continually improving an already proven machine. For 1977, the FLH 1200 sports a newly designed touring saddle with several innovative luxury items. Also different from the 76 Electra Glide are the cast aluminum mag-like wheels and a new, attractive paint job.

These improvements are added to the tried and true Harley design. H-D, long before other manufacturers, settled on the basic V-twin design. This design has proven itself to be both functional in achieving performance, and reliable. While other manufacturers experiment with multi-cylinder engines, Harley continues to refine what will remain the standard of the industry.

Minor features which make the Harley stand out include the automatic chain luber. While there is a minor disadvantage of some oil spots left, the oiler can be adjusted to oil the chain only lightly, and the advantage of not bothering with chain lube far outweighs the disadvantage.

Harley's full dresser is strictly a tourer, so we will talk about it as it does that job. It is fairly high priced, about \$4500 out the door, but one must bear in mind the longevity of Harley motorcycles in general and the fact that H-D continues to make

the effort to make parts of motor-cycles from successive years inter-changeable. This is especially true regarding their accessory items. One may have the most modern Harley by simply keeping track of, and purchasing, factory improvements as they happen. And because their proven engine design remains basically the same, one can have confidence that his dresser will not become outdated.

As a tourer, the dresser is superb. Set up by the factory so that all colors and parts match, the exclusively touring items—saddle-bags, fairing, etc.—function flawlessly. It is easy and an outright pleasure to pack up two weeks worth of equipment and hit the road.

Also thinking of the touring rider, we have to mention Harley's famous reliability. Keep the machine maintained and you can see the country many times over on this bike.

On-the-road performance is where the FLH really stands out. It will not turn a 12-second quartermile, but — thinking of real life situations — no one but a street squid goes constantly racing around town. The Harley's most useful and practical advantage is, again, its torque. In a real-life situation, say cruising at anywhere from 40-60 mph, the

Harley's torque is always welcome. Rather than having to downshift twice, as with many multi-cylinder bikes, one need only roll on the throttle. Stopping a bike quickly is, regrettably, sometimes necessary. As a blanket statement, we have to say that the better a rider is, the quicker he can stop this bike. Its braking potential is above the average rider. But then Harley riders are seldom average.

to graphic to the section of the sec

Definitely one of the Harley's most satisfying traits is its sound. Around town the exhaust note marks a real motorcycle. Even on the road, where a ride on another bike might slip into boredom, the sound of the Harley's exhaust keeps the ride at a satisfying level.

Complaints have been leveled at the Harley because of vibration. There is vibration. But it is not annoying. If you don't want to feel like you're on a motorcycle, then buy a car. That feel is simply a pleasure at cruising speeds, up to 70 mph. And above that speed you ought to be concentrating anyway. That vibration will keep you awake and may save your life.

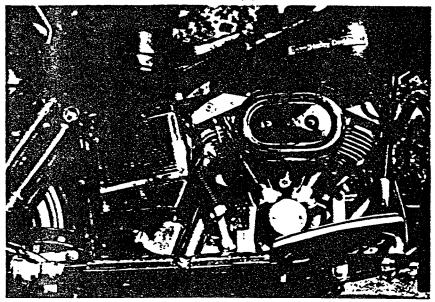
And if anyone talks about the amount of time you can cruise on the bike, ask him, really, how long a stretch he rides on any bike. Most riders take at least a short break every two hours. Up to that length of time the H-D is just fine, and one can string together four or five of those shifts.

On the road, the bike handles good and as quick as the rider feels he is capable of. Nothing will scrape during a quick lane change. Hard turns in the canyons we'll leave to the Sportsters.

Harley's touring bike is not meant to be ridden around town, but we'll mention it briefly anyway. It will respond fairly quickly if necessary once the rider is used to the bike. How quick, again, parallels the ability of the rider. And, again, that torque really helps around town where the rider can go from just about zero to maximum in-town speeds in either second or third.

In conclusion, the FLH 1200 is not for everyone. It is for someone who remembers what a real motorcycle should sound and feel like. And it is a motorcycle whose tradition and name the owner can be proud of. It is a Harley-Davidson.

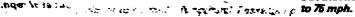
BIG BIKE FERRILARY 1977



Air cleaner and battery dominate the right side of the 1200.



An average speed turn.





Off reservoir is just below the seet. Lotse chrome everywhere.

admire the bike are strongly influenced by some inexplicable emotional attachment. Most of us call these people "Harley freaks."

vicissitude: the fact of change or mutation taking place in a particular thing or within a certain sphere; the uncertain changing of something. (Oxford English Dictionary)

All things change. Fact. Other things change more and quicker than others. Another fact.

Harley-Davidsons, it so happens, are bikes which change less than most. Since last year, the FLH 1200 has incorporated various additions. It now has a different touring seat. Instead of the old hinge spring at the front of the seat, with the leverage point there, there is now a vertical moving spring shaft at the front combined with the dual spring setup at the rear. It is fully adjustable to accommodate the varying weight of a solo rider or a rider/passenger combination.

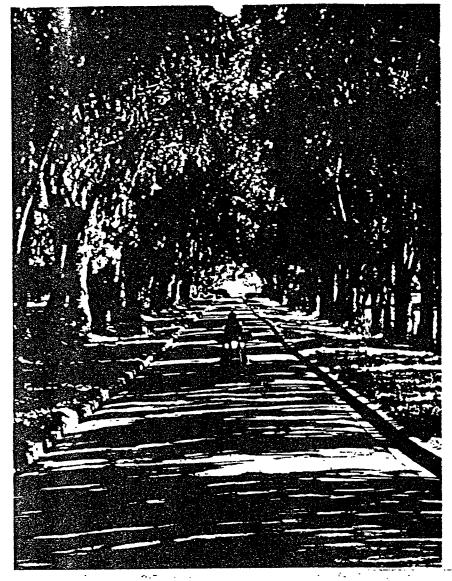
Also, Harley now gives us the FLH in a deep brown color.

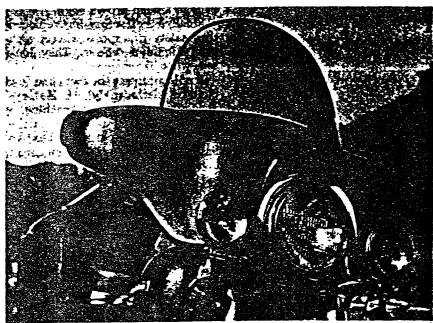
Finally, the factory has replaced their safety rim/spoke wheels with cast aluminum wheels. They look somewhat like magnesium.

People interpret the fact of so few changes differently. If Harley-Davidson had a modern machine, a motorcycle taking advantage of the latest technological advances, an innovative motorcycle a step ahead of the competition, then so few



There is a very long throw from first to second; floorboards are rubber-mounted but that helped reduce vibration only up to 75 mph.





Fairing and windshield worked fine; side lights are to be seen, and not to see.



Fiberglass used in luggage is not very good; they could also use some device to keep the lids propped when open.

changes would probably indicate a manufacturer concerned with absolute refinement of an already excellent product.

Harley-Davidson does not have such a machine. The basic design of this machine has not changed in decades. So few changes on the FLH does indicate an attempt to keep up with other manufacturers by making minor concessions in details when what is needed is an entirely redesigned motorcycle.

archaic: marked by the characteristics of an earlier period; old-fashioned, primitive, antiquated. (O.E.D.)

Harley-Davidson's FLH is straightforward in design. Its engine is an OHV V-twin, with a 3.437-inch bore by a 3.968-inch stroke, making it, in the common phrase, a stroker. Those dimensions work out to exactly 1200cc.

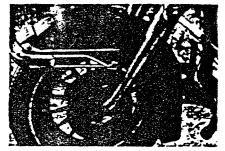
There is a 38mm Keihin carburetor mixing the fuel. Dual pipes with crossover connections handle the exhaust.

A multi-plate, dry-disc clutch is used. Primary drive is by a double-row chain. Final drive is handled by a single-row chain and sprocket combination. An automatic chain luber is also there; its oil supply is straight from the engine. It can be closed with a wrench. We would recommend closing it and handling the chain lubing yourself because of the ridiculously large puddle of oil left every time you stop the bike.

Four gears are given and that is all you need for such a large engine.



Optimistic speeds; blke topped of the out at 97 mph.



Front fender is monstrous; single front disc performed adequately; forks did a good job considering the weight they were working under.

Cast aluminum wheels are new for 77.

Disc brakes are used front and rear. Brakes are a single ten-inch disc for each wheel. Considering the weight they are stopping, they do an excellent job. Considering only how fast they stop the machine, which is a motorcycle, they are only average.

A 12-volt battery and alternator make up the electrical system. A very good electric starter is standard.

Goodyear tires, 5.10x16, are mounted front and rear. It is very doubtful if the bike is capable of being pushed to a point at which the tires would break loose.

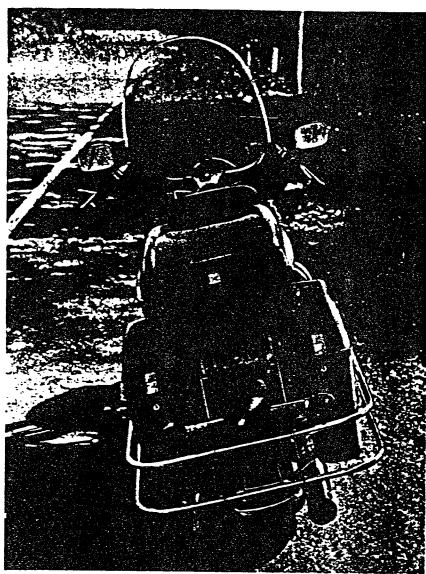
Standard details which make the FLH a touring bike abound. Crash bars are chrome. Floorboards are rubber-mounted. Saddlebags and luggage box are lockable. Fairing and windshield are attractive and do the job. Auxiliary lights are included but are bright enough only to be seen and not to see with. Shocks are adjustable for varying amounts of luggage. The touring seat comes with a backrest for the passenger. The throttle has a set screw to lock it at any desired speed. Fuel tanks carry a plentiful five gallons.

tour: (3) A going or travelling round from place to place, a round; an excursion or journey including the visiting of a number of places... esp. a circuitous journey embracing the principal places of the country or region mentioned.

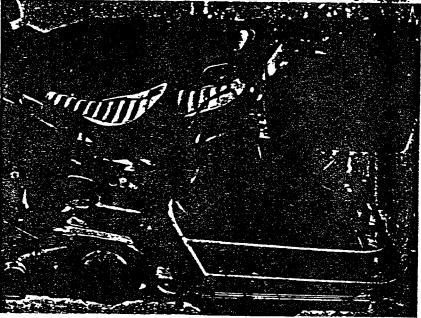
Since the Electra Glide is primarily a tourer, we will speak first of its quality in that function.



Exhaust pipes bashed into curbs while parking.



it can hardly be called slim, but there is plenty of room in those saddlebage.



Passenger seat is comfortable, but that backrest would have to be higher to be really functional. Passenger pegs are fairly far forward.

This works in favor of the bike because that is the only capacity with which we were even marginally impressed. This machine is for the serious touring rider only. Its suggested retail price is \$3809. That's without saddlebags, crash bars, etc. As you see the Harley pictured, full dress, it goes for about \$4200 plus tax and license.

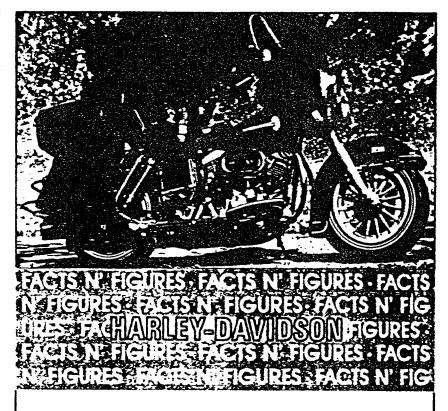
In discussing this touring bike we will cover three areas: practicality, reliability, and performance. Practicality means how well suited the components are for a regular tour. The fairing and windshield worked very well. We never needed the crash bars, but they are well mounted so we assume they'll do the job. Depending on how experienced you are and how light you travel, the saddlebags/luggage box should offer enough space for a four-week tour. It is, therefore, a well set up touring bike.

Reliability was never a problem. In the month we rode the bike, including daily commuting and two mid-range tours, no problems arose. Most people who consider themselves authorities on H-D agree that there was a drop in quality control between 1970 and 1973. But they are quick to point out that every year since has seen an improvement in quality control. The adage, "Every Harley is different, for better or worse," is slowly losing validity.

Our last category, performance, is the most general. This is basically how the bike feels. All these comments refer to on-the-road performance, not around-town; we'll get to that later.

The FLH does not accelerate very quickly; not for its engine size, anyway. It will pull you up the freeway onramp and get you into traffic, but that is about it. For cruising it has all the power you'll ever need. Torque is its strongest point. You may drop to 40 mph in fourth gear and accelerate from there. In third it is happiest from about 30 mph to 50 mph. This speed is where much cruising is done on moderately tight country roads.

The opposite of acceleration is, of course, stopping. Always allow yourself room in front, because even though the Harley may be capable of stopping fairly quickly, it takes quite a rider with more than his share of courage and confidence to really lay on those brakes. There is Continued on page 57



Engine TypeOHV V-tw	vin
Displacement	cc
Bore & Stroke	18
Claimed BHP Horsepower at RPM	ľΑ
Claimed Torque at RPM ft./lbs	/A
Compression Ratio	
Carburation Kaihin 38m	
Ignition Battery/c	
Electrical System	
Starting System Flactric start	New 1
Air Filter Wet fine	
Starting System Electric start Air Filter Wet foe Lubrication Method Dry sun	~·
Recommended Fuel Premiu	-
Quarter Mile E.T.	İΑ
Top Speed	
Gas Mileage	
Touring Range	
Frame Double downtube, full crac	
ForksOil/spring telefor	
Rear Suspension Adjustable shock	
Front Tire	
Rear Tire	
Brakes:	400
Front	
Rear	.01
Curb Weight	
Steering Head Angle N/	
Fork Trail	
TOTA SIGR	^
Fuel Capacity	ne.
Engine Oil Capacity	
million on makemath	
Primary Drive	in
Clutch	
Ratio	
Final Drive Single cha	
Transmission	

an awful lot of weight there to manhandle.

A very famous point about Harleys, their exhaust note, also makes them irritating. That sound may please some people as they fire up their bike first thing in the morning, but sit behind a fairing for ten hours listening to the same sound and it definitely becomes a noise.

Massive torque, as stated, comes from that two-cylinder, 1200cc engine. Well, the same engine that produces that torque also produces vibration. Gobs of it. At 50 mph it is not terrible. Just bad. At 50 mph riding for two hours straight is possible. But not much longer than that. But let's talk realistically. There are long, straight roads in this country that are incredibly boring. No touring rider travels them at 50 mph. At 75 mph the Harley begins vibrating so badly it is frightening. Your feet begin dancing uncontrollably about the footboards and they go to sleep in about three minutes. The only solution is to bend your knees into an awkward position and put them on the passenger pegs. You'll feel vibration all over, but it can be done. This, naturally, assumes you have no passenger.

Responsiveness of the bike, handling, is adequate for such a large machine. A quick lane change or move to avoid a road hazard can be done with a great deal of body English and a minimum of steering. It is awkward, but the bike is capable of it.

Overall comfort, taking all previously covered points into account, is only acceptable, and that limited to the 50-60 mph range. The FLH feels good just sitting on it; positioning of the bars-to-seat-tofootboards relationship. But on the road, it is somewhat awkward, slow in acceleration, handling and stopping. It vibrates and is noisy, Many years ago one might have accepted this and overlooked it. We are afraid the days of saying, "Well, it's a Harley, it's just different," are over.

We will talk about around-town performance only briefly because that is not its intended purpose. But we do feel compelled to mention it, because we doubt that there are many people who are well enough off financially to buy a nearly \$5000 motorcycle and use it exclusively for touring.

In general, take all characteristics of its road behavior, except vibration, and amplify them. Around town, it appears to accelerate slower, stop slower, handle slower, feel heavier and be louder than on the road. It appears so because of the greater effort required to ride around town. One naturally stops and starts more, changes lanes more. Everything more.

Vibration does not seem so bad because the speeds are not as great as when touring. This assumes the rider will take advantage of the bike's torque and shift early so that he will avoid the vibration accompanying higher rpm.

anachronism: (2) Anything done or existing out of date; hence, anything which was proper to a former age, but is, or, if it existed, would be, out of harmony with the present.

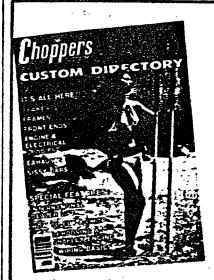
We were satisfied with the FLH only in certain areas. We were not overwhelmed with it in any area. It is, in our opinion, an anachronism.





17 on

Number 18 on page



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self well to docile performance around town or

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YAMAHA XS500

Continued from page 24

valve cover. Maybe next year.

The only other factor that limits that Yammie's tourability is its lack of roll-on acceleration. While cruising at a conservative 55 mph, the revs aren't high enough to merely roll open the throttle for passing. A downshift or two is required to get things moving quickly. So much for taking the 500 cross-country. (It could be done, sure . . . but not the way any half-way serious touring rider would.)

Braking on the 500 is excellent. And it's not excellent. Explanation: The front disc has plenty of power to haul the machine down to zero in nothing flat. The feel is great, the results predictable. The rear disc, on the other hand (or is that foot?), is not so well off in performance. The problem is that it's too effective. A slight dab at the brake pedal easily sends the rear tire into a quick skid. It takes a long, long time to get used to the feeling. This is one area that Yamaha didn't spend much time developing. Other makers have succeeded in altering the hydraulics to match the rear brake's requirements - Yamaha seems to have run out of time when it came to piecing together the rear braking system. Luckily this is one hassle that gets better with time - better as the rider becomes used to it and better as the pads start to wear out.

Before the conclusion of the test, there are a few random notes that have to be taken care of, and we'll break them down into classifications: Things We Liked and Things We Didn't Like. Most of the observations are minor ones, but you ought to know about them.

THINGS WE LIKED

HAND CONTROLS are the nowstandardized Yamaha items, but we still contend that they are among the easiest to use.

GRIPS were well-received by all of the testers, save for the fact that they turned bare hands black.

INSTRUMENT LIGHTING—outstanding. Appears to be back-lit, with easy-to-decipher bright green markings.

CENTERSTAND was among the best found anywhere; no scraping and it was super-easy to operate.

HELMET/SEAT LOCK — Very

OIL FILLER — Large enough for standard oil spouts . . . no funnels were required.

THINGS WE DIDN'T LIKE

SIDESTAND was just a hair too long. This meant that the bike was always on the verge of falling over. Good thing the centerstand was a breeze to operate.

HEADLIGHT ADJUSTMENT — On most bikes, you just reach up and tilt to your preference. Yamaha uses a slide lock that requires a screw-driver to adjust.

HORN was the worst. Barely a peep and far from safe.

STEERING LOCK — Although it was quite sturdy, it was frustrating to use. Instructions on key cover made things worse.

TOOL KIT — Aside from being only fair quality, it had no shock adjusting tool. (The owner's book doesn't list one, either.)

PARKING LIGHTS were downright strange. Put the key in "P" position, and all lights operate. Turn off light switch, headlight goes off, taillight and instrument lights stay on. This is true of all Yamahas, and it just invites someone to flick on your lights while you are away from the bike.

So what we've got here is a machine that outshines much of its competition in at least two out of three categories. As a commuter and short-trip hopper, it's ideal due to its maneuverability, economy and sensible layout. While its relative complexity has sent a chill up the back of a number of prospective buyers, that feeling is being eased as the bike enters its fifth year of dependable operation. In its class there's not much that can touch it in the handling department. The machine makes the new rider feel right at home from the very start. As a touring mount, though, it's not quite the best bet due to its size and low-rpm power traits. The bike is much more content racing along at full throttle, which we would think would be grounds enough for wanting one.

There's no denying that the Yamaha XS500D has plenty of solid attributes on its side. What few rough edges it still has can be worked out without much brain-busting. Anyone browsing around in the 500 field should give it some recognition. After four years it

e Number 19 on page 63

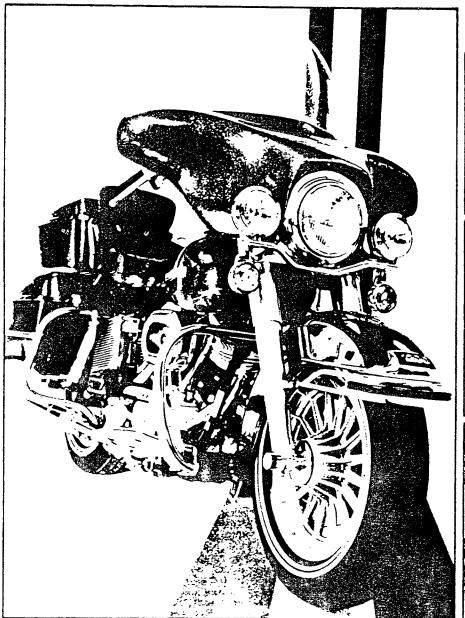
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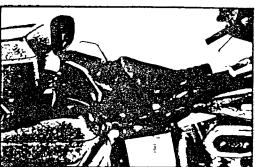
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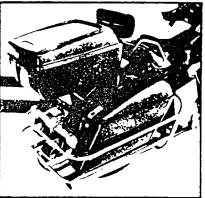
Exhibit 123

His Majesty The Hog

THE EVER-LOVIN' CHUG-A-LUGGIN' MONSTER MOTOR SPORTS ATRICK THRONE FOR 77 KING AND QUEEN







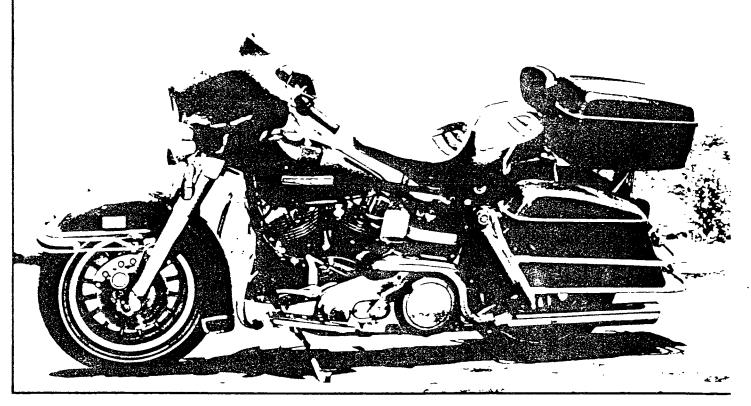


COOC October 1976

By: Bob Green Photography.

EXHIBIT

48



77 FLH HALLBWAH MACHINE

hen a given model dedicates itself completely and without reservation to a single cause, it becomes a specialist Motocrossers, trialers, road racers and a few enduro bikes are counted among this elite group What they do, they do best, but unlike the compromised universal types, they are not expected to range beyond the vertical parameters of their design. Equally qualified in this strict delineation of purpose is Harley-Davidson's 1200cc FLH V-twin, the largest, longest, lowest, heaviest, toughest load-haulin' super cruiser of the tourers. The Electra-Glide, King of the Highway,

It wasn't always so. The predecessor of the FLH was the Kawasaxi Z of its day-1936. Weighing in at little more than a present day 750 twin, the forerunner of the King was a raw-boned 110-mph stocker capable of drilling them all with ease. A free soul. Only years later did the escalating demands of the American Gypsy take control of its destiny and slowly but surely box it into the touring corner. The frame was beefed for sidecar work, road-eating 16-inch balloon tires were mustered in along with guttered rain-proof fenders, driving lights and an endless parade of concessions to the Arkansas-Traveler paying the bills and calling the shots.

The 780-pound end result-full of gas and 100 pounds of standard accessories-is what we see today, almighty to the serious tourist, clown of the cafe set. Beauty was never more in the eye of the beholder. But as big and heavy as it is, no part of the "Hog"-as t has become affectionately tagged-is overstressed. The load carrying capacity of the FLH is legally nearly double that of its nearest competitor, 698 pounds compared to the 360-pound payload of the Gold Wing While other touring machines are near or over their listed GVW rating the minute a passenger prances aboard (not to mention luggage), the oi Milwaukee pack horse's near-700-pound limit borders on unachievable. And even this government spec is a laugh if you check the Guinness Book of Records crediting the Harley with successfully maneuvering under the back-breaking load of 17 members of the Huntington Park Elks Stunt and Drill Team-3482 pounds! Wanna carry an extra sleeping bag? Hell, throw in a dozen or so.

Then isn't it a bear to wrestle? The first day, yes. Then a strange phenomenon occurs The human capacity to acclimate manifests itself, each day the big bruiser becomes a little lighter and more maneuverable, shrinking with the passing of time until its heft is overwhelmed by famil-

iarity. In extremely skilled hands its maneuverability can make grown men cry.

It was both my pleasure and embarrassment, along with a couple other journalist compadres who fancied themselves not too shabby with a set of handling tubes, to get blown in the weeds by a former road racer on a full dress Hog while transcending a tortuous mountain pass. That was with the former drum brake model, and we were riding Europe's finest! He was parked and waiting for us on the far side of the hill-G-r-r-r That vaporous Mr. Murphy is still around and could probably be coaxed out for a repeat performance for those who ve lost faith in the press Bring money

How can a big oaf of a motor like this, decked out in full Sunday-go-tomeetin' regalia, get away with such shenanigans? It's got a tire patch like a Mac, and the center of gravity has to be an underground movement. throw the gearbox away Torque Engine mass is extremely low, giving a pendulum-like feel without counterpart. This underslung chassis is a blessing in disguise, while it gets you into the floorboards earlier than most, this same limitation keeps the bike from being laid over to such an extreme that might cause it to go You may run out of road but chances of sliding out are remote. To

HIS Malesty IT KNOCKED MY SOCKS OFF WITH A 100 MPH READING!

make the Hog hustle, put 'er down on the hardware and let the sparks fly as you hone the floorboards to a razor edge. But if you let it become a habit, sidecar fork springs and maximum rear shock preload are recommended, elevating the FLH to a tolerably swift mountain companion. Hey, i ve fallen intö that trap again, trying to make a Gurney Eagle out of a Fleetwood Caddy No. if your racing blood has a low flash point, pass; the Electra-Glide is a sightseeing trip meant to be tempered through the chicanery, smoking it out across the big valleys at your pleasure and arriv-

ing relaxed

it could well be an epochal year for the FLH 1200, last year's sales were up dramatically, and the 1977 version includes a motorcycle first that promises to be as dynamic a tourist attraction as Harley-Davidson's pioneering hydraulic valve lifters, front and rear discs, safety rims, electric starter and myriad of other innovations. The parallelogram saddle. Their unique sprung saddle of yore, though incorporating almost as much travel topside as many swing arm frames at their rear wheel, had the disconcerting characteristic of providing uneven amounts of vertical movement to rider and passenger, also being too short and too high. The rider, being nearest the pivot point, got too little action while his partner got too much. The solution, though belated, is still another industry first in that the new 4-inchlonger and 3-inch-lower seat does not now hinge at the nose, but rides on a non-linear parallelogram substructure of scissors-like arms that rise and fall in a perfectly level attitude ensuring equal comfort, travel and stability to rider and passenger alike. The saddle pan, suspended on the traditional seat post tube spring at its forward end and two fendermounted coil springs at its rear, has up to 3 inches of flotation shielding human cargo from harshest road cruelties. Total suspension, including a couple inches from the 5.10x16 tires, an average of 4 inches fork and shock travel, 2-3 inches saddle and an inch or so saddle padding, gives 8-9 inches overall. The result has to be experienced to be believed, like overnight the Department of Highways sneaked out and rubber-plated all the roads. And yet, saddle action is tight enough that it does not lose that necessary feeling of oneness between rider and mount; if anything this intimacy is enhanced over the former pivoted couch because of the more predictable and better controlled action. Strictly solo riders may, however, find that this sculptured saddle is too dictatorial in that it does not permit the driver to move aft and stretch out on a long trip since it is in reality two bucket saddles nose to tail. While the forward position is comfortable, this limitation may make their conventional saddle still the way to go for you lone rangers. Personally, I'd opt for the new setup because of its improved action.

and lower seating position

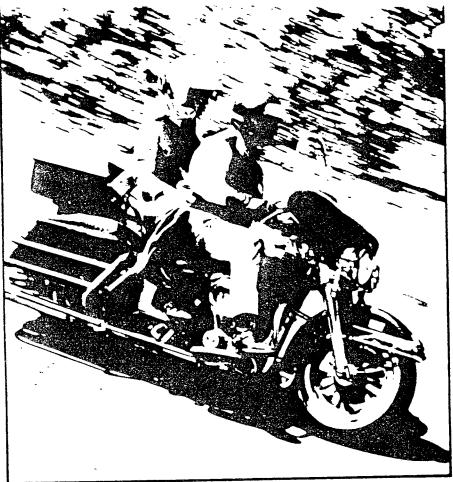
Its real name is "Comfort-Flex" seat, conceived by stylist William G. Davidson and designed and built exclusively for Harley-Davidson by the Milsco Company which has been manufacturing Milwaukee's saddles for many years. With all due respect, it was perfected by "fanny" engineer Dick Swenson, becoming a product of function more than styling. The high grade molded vinyl saddle includes friction shock dampers with five positions plus an open position for elevation to gain access to the oil tank below. Further, saddle height may be adjusted down for folks built too low to the ground. Being bodycontoured and sitting over three inches lower than before, the Comfort-Flex saddle nests the rider closer to the machine for superior control. And owners of pre-'77 Harleys will be glad to hear that a retrofit model is available.

As for our test machine, its moment of truth had come and gone before we received it. Fleet Test Manager Jack Malone had the honor of breaking it in on a blistering 750mile weekend run to Arizona and back during the hottest weather we've had in years. Jack reported the temperature at a Blythe, California gas stop hit 115 in the shade. and he was pulling right at 45 miles per gallon on a showroom-tight engine. And no problems-what a way to christen a fresh motor! Jack added a quart of oil in Arizona and another back in L.A. upon return home, much of which was lavished on the rear chain since Harley is one of the few remaining marques which retain the chain oiler, and ours was set on the fat side in lieu of crowding circumstances. For the plugs read clean and the rollers went the route without adjustment, although they were deserving by the time Jack got back to the ranch.

Finally our big moment came Plans called for the usual city evaluation, mountain performance runs and mileage check, with a 1400-mile escape to Bonneville and back, nonstop each way. Since the AMA

Speed Week in August would fall a month after this issue went to press, a brief follow-up report of this phase of the test would have to be tucked into the regular Bonneville report. But the Harley would be in our hands in the interim and would provide a lot of feed-back since total mileage would then be near 5000 miles.

i couldn't wait to get the big dude up on the mountain. It had been a couple of years since I'd herded a Hog through the hills, and that meant starting virtually from scratch. Easing into it, first impressions were that the mountain timing ritual might be a little off the usual 60 mph or so pace. but as the miles piled on, that old feeling returned and the cadence picked up. Checking in on the far side, the stopwatch showed a still creditable 57 mph average, not bad for a Chicken on a Hog Could have smoked it harder at the outset, but even so we had everything down but its drawers in the last 15 miles, dipping into third (it's only a four-speed, you know) several times to push that billboard of a shield through the uphill breeze. Packing a hundred pounds of accessories over the average naked scooter, the Harley husties remarkably well. Most surprisingly, it got into the floorboards on only a few occasions, and then only lightly, this with the shocks set on full soft, making me wonder if the Seventy-sevens aren't coming through with tougher suspension. They say no. And they didn't jack it up. Know what those sneaky Scotsmen did? They just cocked the floorboards up at a slight angle to delay scraping! In any event, handling, though limited, was damned good. neutral when rolling through the esses and not the least whippy with 22 and 26 pounds of air front and rear. Only one aspect of performance was less than impressive-the single hydraulic disc brakes front and rear. They have ample swept area but the front caliper especially required excessive pressure to operate. Strange, too, because when Harley introduced their juice brakes several years ago, they were delightfully easy pulling and unusually progressive But due to complaints of abnormal wear and loss of friction in the rain, harder and less sensitive pucks were substituted. But now so much pressure is required, even from my 40year steel grip, that it is difficult to tell when you've got a handful until the tire begins to chirp. My recommendation would be something in between the two puck consistencies, if not closer to the softer material,



paying the price of more frequent changes, and to hell with the rain Pushing hard over the 5000-foot mountain, gas mileage dropped to 30 mpg, still better than most big bikes covering the same piece of ground with identical verve. But this was due for a 50% improvement on the ensuing level highway coming up Remember that this mountain-humping figure embraced a long speed shot that knocked my socks off with an even 100 miles per hour reading. pushing that fork-mounted fairing that in an earlier day could have propelled the Mayflower, in that same context, it was as steady as Plymouth Rock at full tilt. But an annoying aspect of the fairing is its acoustical characteristic that amplifies and reflects engine mechanical noises up around the rider's head like a swarm of angry bees. As a result of our findings, a possible fix has been passed along to the factory that could reduce this drumming to half ts present level. Also, the separate clear upper window of the fairing, even in the lowest of its three positions, was too high for this tall rider and required trimming 1% inches off the bottom of the plexiglass and moving it that same amount lower in the brackets before being able to see over the top of it-I can't stand to look through the things.

Did the King of the Highway live up to its legend? Taken in the context that it was given, affirmative. The unparalleled 61-inch wheelbase and to-

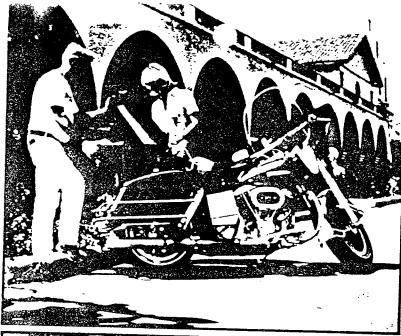
tal suspension program eat pot holes and road irregularities like the germseeking gremlins of a popular cleanser commercial, glopping them up in a remote fashion that makes it difficult to tell which part of the system got the last shot at the remaining residue of impact. The long chassis slows them down, then feeds them bits at a time through an imperial pecking order of springs and oil, usually netting only a gentle dip or jostle at most through the final rubber-mounted handlebars. Although each motorcycle deals with suspension in its own inimitable way, and some may term this one overkill, the fact remains that there's no ride relatable to that of the FLH

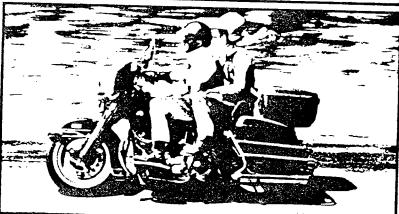
Although the engine isn't rubbermounted, vibrations from the nearly four-inch crank stroke are quite acceptably subdued by the machine's sheer mass and recently sophisticated factory balancing technique up through 75 mph. But as the needle starts to crowd 80, the tingle begins to tango and only the distraction of maneuvering at higher speeds delays the sensation of discomfort until the throttle is rolled back to a more serene 70 or so. At sensible, and I might add legal, speeds, vibration is accurately described as a lazy plodding, even pleasurable to the senses. Extended riding provoked no tingling or numbness of hand sometimes experienced with the equally spaced and electric-like power impulses of higher turning motors. The V engine

configuration is more akin to gailubing horse than buzzsaw. Some of the vibes never get beyond the chassis such as the ones that are cut off at the floorboards by means of an ingenious elastic cushion between boards and foot pads. The foot pad actually floats on a series of rubber balls that snap into the pad and plug into holes in the floorboard beneath. The principle works like magic, allowing the floating pad to move laterally and almost completely insulate rider's foot from chassis.

Further reducing rider fatique is the large knurled throttle drag on the right handlebar that can easily be dialed on or off using only the thumb. without relaxing throttle grip. Pulling on a new Keihin butterfly pumper carburetor this year, the spring-loaded single throttle cable can be quickly and effortiessly locked to hold a steady rom on the road, or turned off to restore the self-closing feature now required by law. Locking the throttle reel down during straight ahead cruising hour after hour allows the right hand to rest as well as the left and is an absolute must for a touring machine, tantamount to automatic speed control on a car. Hand cramp and numbness are eliminated Conversely, in that same area i didn't care for the hand switches controlling starter horn, turn signais dimmer and kill button, most are pushbuttons of identical size and too easily confused. The individual left and right turn signal buttons are spring-loaded and automatically desist when thumb pressure is relaxed

Getting deeper into the Good News-Bad News department, I still prefer Harley-Davidson's now unique method of mounting the instrument panel, including choke button, atop the gas tank rather than the forks in the interest of eliminating wire chafing around the frame neck and getting all weight possible, plus conduit drag, off the forks for easier and more sensitive steering. Also admired is their ignition switch which can be left unlocked, key in pocket, and still turned on or off if desired, saving fumbling for the key during brief stops. Of course, only an unwise Hog rider would leave his animal untethered and out of sight, for like the Corvette the FLH is also Number One on the rip-off parade. But in a paradox of inconvenience, they put the switches for the four-way flashers and auxiliary driving lights down on the right rear fork nacelle, making it necessary to turn loose of the throttle to flick them on, when they could easily have put them on the left. Harley has finally gone to the automaticon headlight wiring setup to please the Feds, and what lights! A special high intensity bulb shoots a flat, penetrating 60-watt high beam and 50watt low. But can you imagine a \$4324 motorbike without a tool box? Not even a monkey wrench? It's run whatcha brung time in the tool department, their out being that even a beginner can have the rear wheel out and on the ground in 12 minutes us-

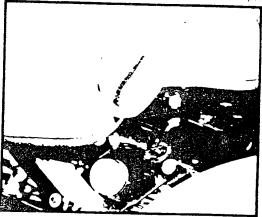




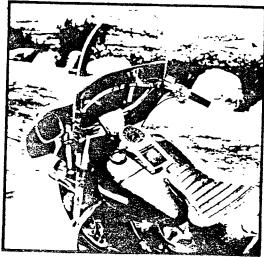




Are you ready for 3½ cubic feet of luggage space? Strength and weight of Harley gracefully tote an enormous luggage load without handling or performance loss. Lock-out sidestand defies car bumps.



Radically new Comfort-Flex saddle floats riders over hump-backed RR crossings without notice; it works! Mag wheels have 4 times fatigue strength of wire hoops but aren't sealed for tubeless tire use.



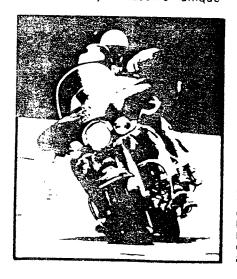
Never in my testing career have so many civilians of both sexes. all ages and walks of life been so turned on by a bike. Why? The Hog macho, Harley mystique? Sight-sound are unique, and it's hands off at any speed. Shift technique: at a stop just kiss low with clutch held in, then drop in gear. Pause between second and third, then crowd fourth gear.

His Majesty



ing only a crescent. And what rich turkey doesn't own a crescent wrench? With a machine of this weight, a centerstand borders on impractical. Seasoned Harley people know the answer. Merely pull two clips in each saddlebag by hand, removing the bags in a few seconds. wrench the axle nut off, roll the dude partially over on its crashbars and pull axle and wheel out the right side. And chain adjustment could be one of those 20-second jobs, ala Ossa, since neither axle nor adjuster nuts are fettered by cotter pins or double locking nuts. But it takes several minutes to pull the cotter pin from the castellated nut holding the brake caliper anchor because of muffler interference, and it is necessary to loosen the anchor nut prior to moving the wheel back. Either the factory or the individual can remedy this by using one of the R-shaped spring clips in place of the regular cotter pin on the anchor arm, permitting instant removal of the pin and the aforementioned 20-second adjustment. Fortunately, the center to center distance between swing arm pivot and gearbox sprocket is a commendable, minimal 4% inches, greatly reducing chain tension fluctuation and lessening frequency of chain adjustment

Accessories were invented by Harley-Davidson; they were first with stock "mag" wheels on their Liberty Edition Super-Glide and now they are optional fare on the FLH. But this is not your everyday five-spoke mag; each beautifully styled aluminum wheel contains 16 spokes and still weighs only 1 pound and 4 ounces more than their wire version (20 lbs. 5 oz. vs. 19 lbs. 1 oz.). They incorporate Harley-Davidson's unique



deep wall safety rim design that precludes the tire from coming off in a blowout, and could be fitted with the latest Goodyear tubeless skins if properly sealed, the absence of the tube restoring weight to the same or less than their wire wheel setup Standard tires are double-ringed Goodyear whitewalls But again on an austerity kick, no conventional fork lock is issued, they provide overlapping holes in fork bridge and headstock, but bring your own padlock. They contend that this seeming expediency on their behalf is actually stronger and therefore more practical than any keyed tumbler arrangement they might incorporate just to be in fashion. And they are probably right. Who should know more on the sublect of bike theft?

At about this point the good news begins to overwhelm the bad. Although the saddlebags won't contain a helmet, the tote box will, and the bags are tucked in close and rigidly secured so they don't flap in the breeze. We had a little agony with the new Keihin pumper pot. Seems that some of the first ones encountered an air leak around a Weish plug atop the unit and/or around the threads of the idle mixture screw. Also, insufficient heat insulation between carburetor and manifold lets engine heat, once up to full operating temperature, cause idle speed to increase a couple hundred revs. making quiet shifts impossible. The factory was aware of these deficiencies and their field fix follows: Use plumber's sealing tape around idle mixture screw and silicon seal atop Welsh plug if idle speed-up persists, insert H-D heat block part = 27412-57, sandwiched between two gaskets H-D = 27410-57, between carb and manifold. We did, and it solved the problem. But it carburets to perfection otherwise, through all transitionary periods, and runs like a striped ape on the top end. The clutch, though virtually indestructible with its 206 lb. ft torque capacityyou can push cars or tow motor homes without fade-is a one-finger squeeze, as light as a Hodaka Ace. And yet, there's never a hint of slippage under the most trying circumstances. And the clutch plates don't stick or have to be freed when starting up from cold in the morning Neutral is always positive from either direction at any rpm, in heaviest traffic, on hottest days. Converts of Oriental persuasion will be amazed to learn that the Americans have somehow found a way to circumvent driveline snatch; H-D never had it any other way.

Shift characteristics are cause for raised eyebrow to the uninitiated FLH operator who through unfamiliarity with the accentuated technique required, may think the engine fell out on the ground the first time he bangs a gear Silent and near-silent gear changes even with proper idle speed require perfected control of throttle and clutch holding momentarity between gears on some occasions and double-clutching on others. As the box loosens up with the miles, at around 1000 or so, shifts become smoother and quieter. In any event, gears and clutch are up to the task and seem to easily withstand the trials and errors of novice handler without hint of abuse.

One of only three popular V-type motorcycle engines sold in America. the Harley is largest by far with its 1200 cotton-pickin' cubits, unique among the three with 3-31 32-inch stroke that permits it to climb tall buildings at idle With cylinders cocked 45°, firing impulses are alternately spaced 315° and 405° apart. as opposed to the even 360° separation of a parallel twin Protagonists of the V configuration prefer this spread because its firing impulses are not evenly spaced, contending that even spacing in a twin is conducive to high frequency buzz that is less compatible to human tolerances. They've got a point, best demonstrated in smaller capacities having closer to square bore stroke ratios

Also unique about the Hariey is connecting rod disposition on the crank pin, by using a forked big end on their rear rod, they sandwich the single-blade front rod between its halves on the same roller bearing. This permits both cylinders to be directly in line fore and aft rather than offset such as Guzzi and Ducati. Other advantages of the V design are compactness and narrowness ideally suited to motorcycle application.

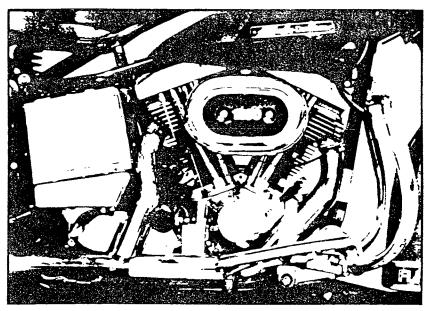
But unlike the Japanese, Harley refains pushrod overhead valve operation typical of American automotive construction, such as a Chrysler Hemi Getting 62 horsepower at 5200 rpm, and working far below that most of the time, there is no need for exofic overhead cam drive. But even though the single camshaft is down in the case, gear driven directly off the right side crankshaft, it does represent the most advanced state of the pushrod art with expensive racetype roller tappets and temperaturecompensating hydraulic valve litters that seldom if ever require adjustment, maintaining proper lash het or cold. With its direct-drive ignition circuit breaker off the end of the cam-

HIS Majesty The More IT CHANGES, THE SAME

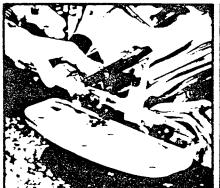
shaft, and alternator attached to the left crankshaft, the engine is remarkably void of power-robbing chains and gear trains and their attendant noise. I would guess it to be one of the most gear-free, chain-free engines of them all. Bearings consist of rollers on the rods and right side crank, with double tapered Timken bearings on the drive side Lubrication is full pressure fed to and from the remote one-gallon tank by double gear pump with adjustable feed to the rear chain, and replaceable filter incorporated in the tank top. The electrical system consists of a 225watt alternator and 32 ampere hour battery with a bear of an electric starter that cranks strongly even after sitting overnight in the snow. For simplicity a single set of ignition points is used, meaning that each plug is fired whenever either piston is in the ascension, be it on compression or exhaust stroke. The engine is a brute in all dimensions, capable of withstanding adversity beyond comprehension

Again the question, did the King live up to its legend? Personal opinions and physical proportions and financial circumstances and riding habits being as diversified as they are, only you have the pieces to put the other half of that puzzle together The FLH's weight is a product of popular demand, you asked for it Personally, I'd do without some of the shine-it-on hardware such as crashbars and spotlights, and this opinion is only now being revived by more frequent requests for stripped or partially stripped versions of the Hog, a more lean and less costly setup dealers can deliver if they so desire. For not well known is the fact that an Electra-Glide shorn of its tinsel, equipped only as other roadsters are normally offered, slims to practically the same weight as the Honda Gold Wing at around 650 pounds

Realizing 45 miles per gallon, contributing to its wide 225-mile cruising range, the FLH makes an exceptionally qualified touring mount. According to the hyper-conservative factory. oil consumption with the chain oiler operating varies between 300-500 miles per quart, depending upon the pace, and usually requiring topping off at least every couple of days on tour with its four-quart capacity. We got over 900 miles per quart. In the first 2000-mile installment of our test. engine and chassis ran spotless and undaunted. With its steel barrels and hydraulic valve lifters, the engine requires very little attention and runs unusually quiet, especially for its size, although the sound-amplifying



Harley V-1200 or just a couple of barrels off an old Pratt & Whitney war bird? Like the "Corncob" engine in Republic's P-47 Thunderbolt, the "Jug", the Hog is known for its bulletproof characteristics and its ability to bring 'em home under adversity.







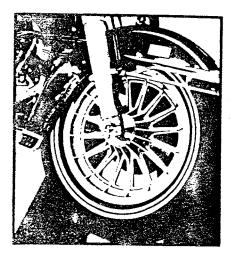
Footpads float on neat rubber ball attachments, but not so neat is mufflermasked location of brake caliper locking nut cotter pin that slows the chain adjustment procedure. A simpler type of cotter pin would allow 20-second bogie. Twin tanks are interconnected and utilize a single shut-off value. Only right tank cap is vented so that fuel will not siphon our when on sidestand. At this point ol' boogiemotor had logged nearly 2000 miles, hadn't been wiped off, a dry dude. Power? You know that if it's brewed in Milwaukee it's got to have a lot of suds. We now head for Bonneville Speed Trials. See ya there!

fairing makes it seem otherwise at times. If you are spoiled rotten by Detroit, Harley-Davidson assumes special importance since only they among the crotch car manufacturers offer a full line of factory accessories integrated and styled exclusively for a given model, now color-coordinated.

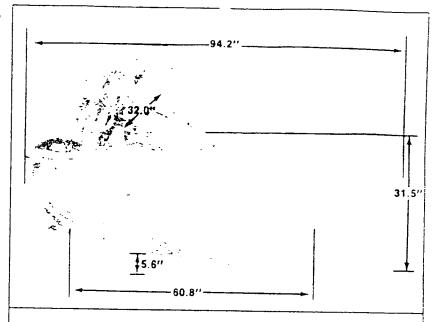
There are those who say the big twin's days are numbered, that concept has outlived ability to keep pace. The perpetual notion machine. The more it changes, the more it stays the same. And yet, last year, the year of introduction of the panacean Gold Wing, Electra-Glide sales defiantly soared ten percent. No motorcycle in the world continues to maintain such an abnormally high resale value relative to original purchase price. In many instances owners have sold their two-year-old twins for little or no loss, sometimes at a profit, making the admittedly high original purchase price a moot point if not an investment.

Most succinctly it might be concluded that if comfort is your bag, if you think that big is beautiful, and you want to get better acquainted with the girls-half a dozen hit me up for a ride-you may be a potential Hog rooter I am thoroughly enjoying the visit, finding this megamotor dependable, more economical to operate than many smaller touring roadsters, and rock-steady from a walk to the century mark. With trick saddle and mags, it has never been more appealing to those who have an affinity for the majestic motorcycle only Milwaukee has the guts to build.

Perhaps the most prophetic clue to the Hog's future was innocently voiced by my next door neighbor's 15-year-old son Hughie. Previously unmoved by the ever-changing parade of sparkling two-wheeled exotica I bring home, he was finally overwhelmed upon sighting the formidable Harley: "Hey, I'm ready for that!"



Printed in U.S.A



Harley-Davidson FLH 1200

TEST: HARL	EY-DAVIDSON FLH
Base Price	
ENGINE	
Type .	V-twin, 45°
Bore x stroke	87 3x 100 8mm
	(3-7 16x3-31.32 in)
Displacement	1207cc
	(73.66 cu. in)
Compression	ratio 8 f
ł .	Keihin 38mm
A . = 4(14 = =	w:accelerator pump
	Oil-wet foam
ignition	Circuit breaker,
Electrical syste	single coil
22J-wa	itt bättery, alternator, rectifier-regulator
Lubrication	
Luci Julion.	double gear pump
C+	goan pump

Starting......Electric only

Claimed bhp @ rpm __62 @ 5200

Claimed torque @ rpm 70 lb ft @

DRIVETRAINPrimary drive

Two-row roller chain, 1 54 1 ratio

@ crankshaft

@ cranksnaft

4000

Clutch Multi-plate, dry. 206 ib ft capacity Single-row = 50 chain. 2 32 1 ratio Overall ratios. 1st 3.0; 2nd 1 82, 3rd 1 23, 4th 1 0

CHASSIS & SUSPENSION
Suspension, front Telescopic
5-inch travel

Suspension rear 3-way adjustable shock, 3-inch travel Double-loop tube Wheelbase. 608 inches Brakes, front & rear Hydraulic. 10-inch disc

Tires, front & rear 5 10x16
Goodyear whitewall
Instruments Speedo w odo and
rese! trip, plus high beam,
neutral, signal lights.

oil pressure

WEIGHTS & CAPACITIES
Curb weight 780 ib full gas w KOH accessories
Fuel capacity 5 gailens
-nerusing 1 2 Reserve
Engine oil 4 quarts
Transmission oil 1, bints
Fuel consumption 40-45 miles

per gallon

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325



Exhibit 124

BUSINGS VICE K

Jimmy Carter on economics: Populist Georgia-style

SUPPLEMENT: Finding young artists for investment

W. PUB. LIDRARY .37

Machine tools start a recovery

What the Communists propose for Italy's economy

David Lewis of General Dynamics

APROSPACE ANDROSPACE

Page 8

3

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EXHIBIT:

Moore Special Too!'s business came from overseas. But today, says Glenn Moore, "our activity is definitely domestic, and it has been for the past 12 months."

The industry leader-Cincinnati Milacron Inc.-sees a different picture. "Our export business is very good, and we're seeing last year's inquiries turn into orders," says Clifford R. Meyer, vice-president for Milacron's Machine

Tool Group.

Stronger demand led Milacron to post some slight, selective price increases on Apr. 2. But other toolmakers say that modest recent price boosts will only recoup their cost increases. "We do not contemplate any substantial price changes in the foreseeable future," insists Durwood A. Blaisdell, president of U.S. Baird Corp. in Stratford, Conn. "The market is still extremely competitive."

To catch the upturn profitably, machine tool builders not only have to keep their prices in line, but they must also be quick on their feet. "Customers are already pressing for faster than normal delivery," says Carse of Bridgeport Machines. And Blaisdell believes he has the explanation. "A lot of customers have been sitting on capital appropriations," he says. "And when they decide to go, they want the equipment yesterday."

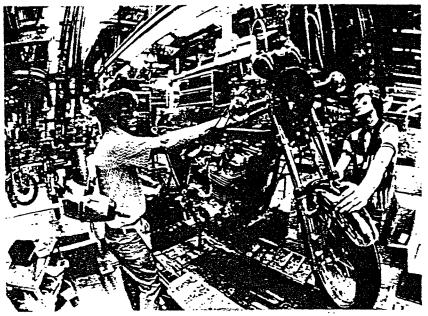
Motorcycles: The dip continues

Motorcycles looked like a sure thing in the U.S. market when the 1970s began. Sales zoomed from 1968 through 1973, and the number of on-the-road bikes doubled to almost 1.2 million. Japanese manufacturers, which produce about 85% of all motorcycles sold in the U.S., established wide-ranging dealer networks. One of them, Kawasaki, even

set up a U.S. assembly plant.

The recession dealt their plans a heavy blow. Sales last year dropped 25%. But even more ominous for them, some producers now admit that they may have misjudged the market entirely. Says Graham Kirk, marketing director at Kawasaki Motors Corp., U. S. A.: "The days of 25% and 30% growth a year are gone." Manufacturers misread the sudden sales spurt after the energy crisis, when many U. S. customers bought motorcycles to hedge against the possibility of a chronic gas shortage.

The sales jump in 1974 helped cloud two factors that now threaten to squeeze the U.S. motorcycle market:



Kawasaki has trimmed its planned assembly at Lincoln, Neb., by more than one-third.

 Environmental rules that will force manufacturers to spend heavily to control motorcycle exhaust and noise emissions.

■ Discouraging demographic statistics indicating that the teen-age population of the U. S.—the heaviest buyers of motorcycles—will shrink by about 14% by 1985.

As they face up to these long-term problems, the motorcycle producers have one large and immediate difficulty to resolve: Although their sales are likely to improve a little this year, their warehouses and their dealers' shops are stocked with mountainous inventories of unsold bikes. They may not be able to cut these inventories rapidly because the list prices of motorcycles, which range from \$500 to \$2,500, have increased almost 25% in the past three years.

Selling hard. To push sales, manufacturers are offering big discounts. Yamaha, for example, will sell remaining 1975 models of its RD-50-B motorcycle for about \$900, some \$300 less than the price at which they were introduced just over a year ago. Normally the company cuts prices only about \$100 at the end of a model year.

Honda Motor Co., copying the tactics of U. S. auto makers, is offering rebates of \$80 to purchasers of new motorcycles. Other manufacturers are giving dealers several months of free "floor planning"—in return for agreeing to carry extra inventory, they will not be billed immediately when they take shipment. But all of this is barely chipping into the manufacturers' own inventories. For some of them, according to Kawasaki's Kirk, these inventories have amounted to "as much as a year's supply of unsold bikes."

Harley-Davidson Motor Co., a sub-

sidiary of AMF Inc. and the only U.S motorcycle maker, is not suffering as severely as its Japanese competitors. Registrations of new Harleys, for example, fell only about 12% last year compared with 30% for Hondas and 40% for Yamahas. "We benefited from a trend to larger bikes," says Charles K. Thompson, Harley's marketing vice-president.

Higher costs. But Harley-Davidson and all the Japanese producers are deeply worried about the implications of new federal air-emissions standards that will require motorcycle makers to cut their vehicle emissions by 75% by 1975 and to equal the emissions standards for automobiles by 1981. The 1981 goal industry executives say, will be technologically impossible to meet.

Even the 1978 standard will increase motorcycle prices substantially. The producers will probably have to switch from two-stroke to four-stroke engines. Besides being more expensive, four-stroke engines deliver lower performance, so larger engines will be needed for equivalent performance. And engine intakes, exhaust systems, and frames will have to be redesigned. "With these regulations," says Kirk, "we'll be competing in price with a

Federal noise regulations, due to be proposed by the Environmental Protection Agency before the end of 1976, may hit equally hard. "It's too early to guess what the federal regulations will be," says Kirk, "but they are certain to add to the price of a motorcycle."

Chevette."

Besides added costs, manufacturers fear that cutting the noise level could turn off many potential customers. "Many motorcyclists are thrilled by a motorcycle's explosive engine sound," notes one Honda executive. "How will

they reall to a low-noise mitorcycle. A shrinking market. The industry can fight legislation, but there is little it can do about the discouraging demographics it faces in its main market. Roughly 25% of all motorcycles now purchased in the U.S. are bought by persons aged 15 to 25, and this group, according to demographers, will shrink from about 44 million to 42 million between now and 1985. The 15- to 21-year-old segment will drop from 33 million to 22 million.

"We're going to have to develop new products or find new ways of marketing to reach the 25-to-35 age group," says Dennis Stefani, marketing research manager at Yamaha International Corp. Earlier this year Honda announced just such a product—the

The motorcycle makers face a shrinkage of their main market

rst motorcycle with an automatic transmission. According to Honda, older motorcyclists become discouraged by the complex shifting mechanism of motorcycles. Honda's new model, according to a spokesman, will "free them from this burden and encourage them to stay with motorcycles."

The cloudy outlook for future U.S. sales has stopped what several years ago seemed a certain switch by foreign motorcycle manufacturers to production in the U.S. Kawasaki led the way, opening its piant in Lincoln, Neb., in the fall of 1974. Other Japanese motorcycle makers were expected to follow. The rising cost of Japanese labor and shipping costs then made U.S. manufacturing economically attractive. But now the Japanese producers have turned cool to the idea.

They cite high U.S. labor costs and unavailability of parts as reasons for producing at home and exporting to the U.S. Motorcycle assembly needs a large number of experienced parts suppliers nearby. "This is lacking in the U.S.," says a Yamaha Motor Co. execu-

Hiroshi Takahasi, senior manager of Kawasaki's planning and control group, admits his company's Lincoln plant uses very few U.S.-made parts. Most of the components, including engines, are shipped from Japan. Eventually Kawasaki hopes to buy about half the dollar value of the bikes it makes in Lincoln from U.S. suppliers, he says.

But for now Kawasaki is largely responding to the glutted market. It has trimmed plans to make 100,000 bikes a year in the U.S. and will hold production to 30,000 per year while it raises its imports by about a third. Says Kirk glumly: "We're more like a mature industry now."

The Barclay is a small east side ho It really is The Big Apple. (The lobby is about fifty steps across. The Big Conference Room holds There really are a hundred places to find Szechwan oysters, kinesiology classes, maritime lawyers or a Spode gravy boat like the kids broke. But sometimes New York can get to twenty people.) The Barclay is elegant without bein stuffy, expensive without being ridiculous. be too much of a good thing.
Unless you know somewhere to hide. Next time you need to get in out of New York, remember The Barclay. Welcome to The Barclay.



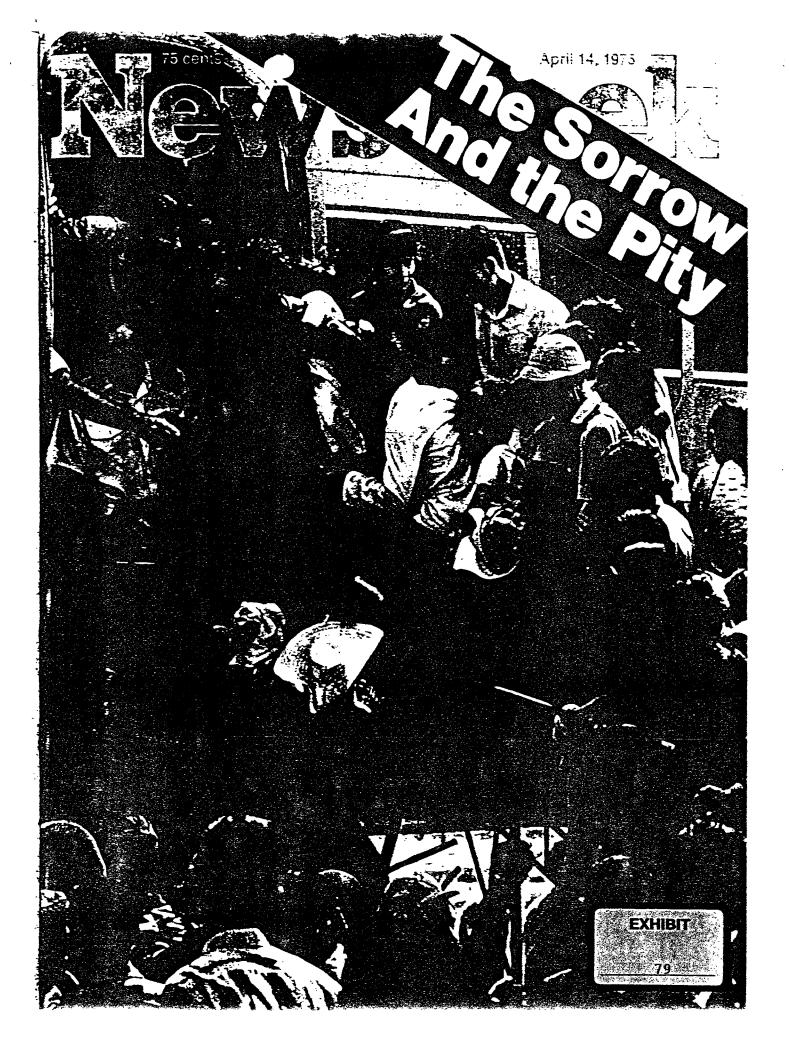
When enough New York's enough.

48th just off Park (800) 221-2690. In New York State, call: 800(522-644). Calls for competite time of the commence of the comments.

U.S. Trademark Opposition No. 91177156 H-D Michigan, Inc. v. Bryan Broehm Serial No. 78896325

JESUS 2 HOLY-DIVINESON Mark: CIRIST

Exhibit 125



Top of the Week

Newsweek



Proffitt in Quang Tri during Communist Easter offensive, 1972



Brinkley-Rogers with shipload of Cambodian refugees, 1970



Jenkins with Viet Cong commander, 1974



Clifton, Cambodian refugee (above), 1973; Moreau, Viet Cong village leaders, 1973



The Sorrow and the Pity

Misery became a way of life in Indochina long ago, but the tide of human suffering that engulfed South Vietnam last week swept forward with unprecedented cruelty. Major cities tumbled like tenpins, terrified refugees died by the hundreds in their desperate flight from the onrushing Communist armies and the toughest ARVN generals abandoned their command posts. Even one last, symbolic gesture of American goodwill turned into catastrophe when a giant jet evacuating hundreds of war orphans crashed and burned. Vietnam had become a sad and ugly spectacle but there was little the U.S. could do about it—and Americans looked on with a deep sense of anguish and a chastened view of their national power.

Five Newsweek correspondents filed for a special fourteenpage report (page 18), accompanied by six pages of color photos. Hong Kong bureau chief Loren Jenkins, who has been in charge of Indochina coverage for the past two years, directed the reporting. The other correspondents: Beirut bureau chief Nicholas C. Proffitt, formerly in Saigon from 1971 to 1973; Ron Moreau, who has covered South Vietnam since 1969 and speaks fluent Vietnamese; Paul Brinkley-Rogers of the Hong Kong bureau, who covered Indochina from 1969 to 1970, and reported last week from Phnom Penh, and Tony Clifton, who first began covering Indochina in 1971. (Newsweek cover photo by Jean-Claude Francolon—Gamma.)

Contents

April 14,1975

THE WAR IN INDOCHINA 18
The spectacle of defeat
Rout of the ARVN
How long can Thieu last?
Orphans of the storm
Life behind Communist lines
The beleaguered Americans
How U.S. veterans see it
NATIONAL AFFAIRS
Ford's opulent week
+ Connally's day in court: the bribery case
Bicentennial fever
Three racial trials
Slaughter of a family
INTERNATIONAL
Arm-twisting for peace: pressure on
Jerusalem
The Israeli public-relations push
Chiang Kai-shek, 1887-1975

BUSINESS AND FINANCE Fear of high flying? A no-frills air-rate deal The battle of Elk Hills Worms in the Big Apple	63
UFE/STYLE	76
JUSTICE	81
MEDICINE The thyroid-cancer legacy Suspect sperm	82
SCIENCE The "probeye" firefighter "Living" water filters	85
SPORTS Shoot-out in Augusta Basketball's quiet man	93

THE ARTS	
MUSIC	. 77
First lady of opera	
BOOKS	. 86
Jessamyn West's "Massacre at Fall Creek"	
The letters of Bernard DeVoto	
MOVIES	90
"The Passenger," Antonioni's latest	
<u> </u>	
OTHER DEPARTMENTS	
Letters	. •
Update	. 9
Periscope	. 13
Newsmakers	. 60
Transition	. 61
THE COLUMNISTS	
My Turn: David Halberstam	. 11
Paul A. Samuelson	. 74
Shana Alexander	. 96
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ING. 140W TURK, ILL. TOOLE. TO TIGHT	





Susan T. McElhinne

General Davis, with Stephen in Vietnam (left) and today: 'Let's cut our losses and get away from it'

speaking, lucked out, with a steel plate is his head, a rickety leg and a ticket home He tried college for a while, wearing hi uniform like a badge of pride. But the courses were tough and the hoots in the corridors tougher—"How you doing to day, baby-killer?"—so he dropped ou and drifted through several jobs, a ghos from a war nobody wanted.

Both men finally caught on as service officers with the American Legion is Chicago, and there, along with their desl space, they share their private bitterness Pollitt had believed in the cause and had felt traduced—"sold out by the people in Washington"—when the war was no prosecuted to victory. Senizaiz doubted that it should have been fought at all. "I was all those Ivy League dudes with great educations that thought all this bullshit up," he says hotly, "and the: when it didn't work, they just went off to fancy jobs and left us with our danglin: legs. It was an intellectuals' war, excep 55,000 of us had to die. And for what: Nothing, man, nothing at all. And if you don't believe that, just watch what's coming down on television right now.

He was a general's son, and when he came out of the Citadel with his minimew second lieutenant's bars in the middle '60s, Stephen Davis was first concerned that no one think he was getting special treatment. But he had dim eyes, and they threatened to disqualify him from what he wanted ever more: an infantry assignment and a ticket to Vietnam. "So I pulled some strings." his father, Maj. Gen. Franklin Davis Jr. remembers with rueful irony. Bad eyes and all, Stephen was posted to the infantry, and to 'Nam, and in August 1967, while leading a platoon in combat in

The Rosses: Terrible sorry

'It All Seems a Waste'

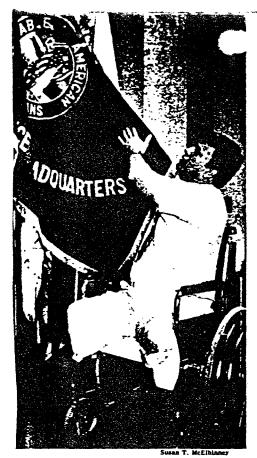
ank Marsh was wounded there during Tet 1968, and half his unit of combat engineers got blown away, and when he sat with his grandmother in front of the TV seven years later watching Hué go under without a fight, he suddenly felt ill. Marsh, now 27 and serving out his time as an Army recruiter in Miami, remembers his grandmother asking him in puzzlement whether the U.S. shouldn't send the boys back in. "No," he answered quickly. "Well," she asked, "what does this mean, then? Why were you over there?" And Hank Marsh couldn't think of anything to say.

They were the ones who paid the heaviest dues for America's misadventure in Vietnam-the men who fought and bled there, the parents who lost their sons there—and they were the ones who felt the keenest sense of loss last week at the daily images of Vietnam disintegrating before their eyes. Some of the survivors, in conversations with Newsweek reporters across the nation, spoke angrily of the government for having got the U.S. into the war. Others were aggrieved at "the politicians" for having contained the effort short of victory. Still others felt let down, even betrayed, by the incapacities and indifferences of the Vietnamese themselves. "For 31 of the 34 months I was there," said Fred Terhune, 28, an ex-Green Beret who came home with one elbow and both knees shattered, "I firmly believed in what I was doing-trying to stop Communist aggression. But then

I woke up one morning and said, 'What the hell am I doing here?' We were fighting for people who didn't really give a damn."

Yet what bound them together most closely was a sense of the futility of the whole endeavor—the empty feeling that 55,000 American lives and billions of dollars in American treasury had been wasted. There was bitterness for some in that suspicion. "The mainspring in this country has been broken," said Ronald Radcliffe, a decorated black chopper pilot who was shot down and wounded in Quang Tri Province two years ago. "I want to take my wife and just sort of live alone." Others found only melancholy in the shattering pictures of rout filling the nightly newscasts. "Sometimes, over there, I didn't even realize what the cause was," said Steve Javier, 30, a Californian paralyzed from the waist down by a sniper bullet in 1967. "And now I see what's happening and I don't really care any more. I just want it to end so we can all forget it.

John Pollitt and Matt Senizaiz are among the angry ones. Senizaiz, then an Army Pfc. of 20, caught a burst of machine-gun fire in an ambush near Phu Bai and has lately learned, after seven touch-and-go years, that one ruined leg may have to be amputated. Pollitt was a baby Marine lance corporal of 18 when they sent his assault company up some nameless hill near the DMZ. Most of his buddies died; Pollitt, in a manner of



Cleland: 'It wasn't the war of the worlds'

Quang Tin Province, he died at 23. The general, himself on duty in Vietnam, took his son home for burial. Two weeks later, he returned to his post; a few months thereafter, a Viet Cong grenade exploded in his face, blew out both his eardrums and retired him reluctantly from the war. Today, in a Washington law firm, Davis still honors his son's sacrifice, and is sustained by something Stephen said two weeks before his death: "I couldn't live with myself if I had not come out here." But Davis has begun to wonder about the cost of the war, and if it had been his lot to size up the situation for President Ford, he knows what he would report: "Look, Mr. President, that set-up is down the tube. Let's cut our losses and get away from it."

His picture is one of the indelible images of the war, clad in his baggy POW stripes, bowing before his North Vietnamese captors. Richard Stratton is back in "the world" now, a Navy contract officer at a Lockheed plant in California, but he has not lost sympathy with the cause he served or with the Vietnamese, even in their panicky flight. "I don't know how I'd react," he says, "if someone gave me one bomb and one shell and one rifle and said, 'There's no more coming, but go and fight for your country.' I hope I would drop the bomb and use the shell and rifle, and then get out of there, but I don't know." What he does know, for all his six years in the camps, is how he would respond if he had to do it over. "If they asked me to go back and bomb Hanoi again," he says, "I would."

Joseph Maxwell Cleland volunteered for everything he got in the military—everything but the grenade accident that blew off his right arm and both of his legs. He went off to Vietnam in 1967 as an officer in the First Air Cavalry—he called it the Army's Great Flight Hope—and a believer in the cause he had been sent to serve. But he began to question it even before his own personal disaster—began to wonder about the toll in lives and money, and about America's place as an intruding presence in what he came to see as a struggle between Vietnamese and Vietnamese.

"It wasn't the war of the worlds," Cleland says now. "The point was most Vietnamese were just interested in surviving. They didn't care whether they survived under Saigon or Hanoi. And no matter how many military successes you had, there was just no way to beat the political fact that you were foreign and they were out of the soil—cousins and brothers from up north. In a sense, everybody knew they were always going to be there, and everybody knew that one of these days we Americans were going to leave."

Cleland left early, to a career in Georgia politics (one term as state senator from Lithonia, a losing run for lieutenant governor last year) and lately to a staff job on a U.S. Senate subcommittee on veterans affairs. He has in the process learned to live with his wounds. But he wonders whether America will make its own peace with the large traumata of Vietnam. "That's the question," he says. Will we learn that every time we go into battle, we don't necessarily carry God's banner as seen from the ground we fight on? We may perceive ourselves that way, but it doesn't mean they see us the same way. And that's the crucial lesson to learn—that not every line that's drawn



Lee Lockwood-Black Star. courses, Lafe Magazin

on a map in this world is put there for the United States to defend come hell or high water."

In the dusk of a late summer evening six years ago, Russell Ross took his boy Stanley, 20, to the Burlington railroad station near little Mount Pleasant, Iowa, and put him on a train to join the Army. In the moments before he climbed aboard. Stanley talked about going, and about how maybe he wouldn't owe his country as much when he got back. Then he was gone, and Russell Ross stood for a long time watching the train lights twinkle away into the darkness and feeling "just real proud for Stanley . . . standing up for what he believed" at a time when kids his age in distant cities were picketing and rioting for peace. His heart full, he decided on the spot to do something nice for his boy, and settled on buying him a new motorcycle. He began laying away cash, saved up for a Harley-Davidson and wheeled it into a shed on the family's 160-acre farm to await Stanley's return.

Last week, a spring blizzard blanketed Mount Pleasant, and in Forest Home Cemetery, an icy wind knocked a plastic Easter wreath off the grave marked STANLEY ROSS. They had sent Stanley home from the war in a governmentissue casket, too soon after the night he had left; the Harley had stood long after in the shed until Russell Ross mustered the heart to sell it. And now he reads the dispatches in the Mount Pleasant News with a daily deepening sense of frustration and loss. "All it seems to come to. he says wanly, "is a waste of lives. All we've done is create a lot of homeless people and orphans. I feel terrible sorry for them people over there. But I feel terrible sorry for Stanley, too." He pauses for a moment, remembering their good-bys in the darkness at the Burling-

ton station. "I guess he doesn't owe anybody anything now," Ross says. "I guess he done more than anyone had a right to expect."

PETER GOLDMAN with TONY FULLER in Chicago and bursess reports



Stratton, then and now: 'Ask me to bomb Hanoi again, and I would'

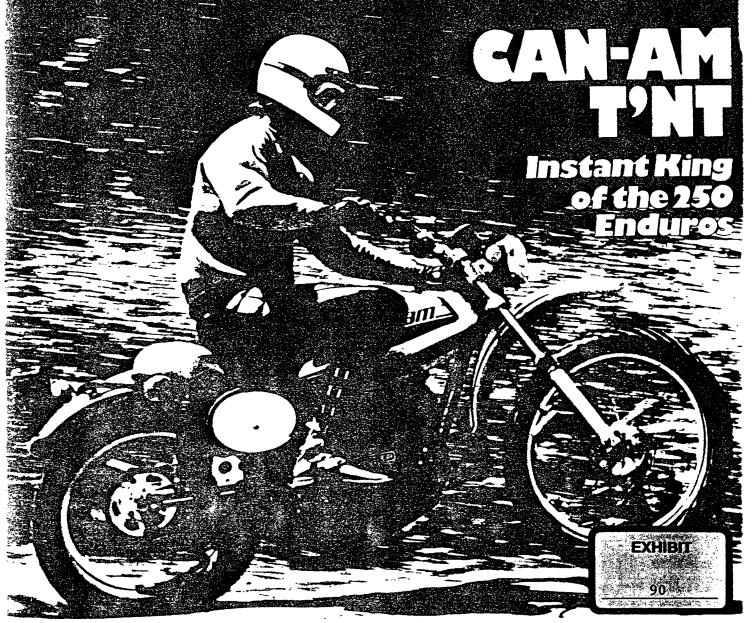
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Exhibit 126

OCTOBER 1974, 75 CENTS

Basics: Instruments How They Work, Why They Lie Kawasaki 750 The Superbike Dragon Calms Down High School Motocross How To Set It Up



Lagund Seca: Order Restored

By Cook Neilson

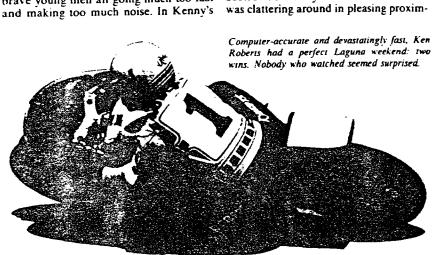
• Watch a 250 race from a particular corner and visual rhythms begin to develop. The bikes are the same, after all. They look the same and they sound the same, they go through your corner at the same speed and bank angle, and they begin to accelerate onto the straightaway at the same time. Some are quicker than others, of course. But not so much quicker that the rhythm changes.

Except Kenny Roberts. At Laguna Seca in the Lightweight race he had a rhythm all his own, so bright and vibrant that he and his sunshine Yamaha became a travelling spark, a streak of noise and light that crackled with a peculiar incandescence. He was a glowing coal in ashes. With absolute assurance and transcendental speed he whistles up to. through and away from your corner and fragments the rhythm the turn has developed. He is not in touch with the traction between his tires and the pavement; he has become the traction, he has become the pavement, he has become the motorcycle and the tires. Everything he has learned is applied in those fleet seconds when he throws out the hooks, sticks out his knee, pitches his singing Yamaha directly to the limit and then hops back on the gas and disappears up the straight. over the hill and out of sight. Before he arrived at your corner you had seen brightly colored 250 Yamahas ridden by brave young men all going much too fast

presence they and their motorcycles are transmuted into background: only after he leaves do they once again become racers racing. He is in color: they appear as differing tones of gray. Kenny vanishes and the visual rhythm of your corner slowly re-establishes itself. You can enjoy it for a minute and fourteen seconds—and then Roberts comes again to shred it apart with a rhythm of his own.

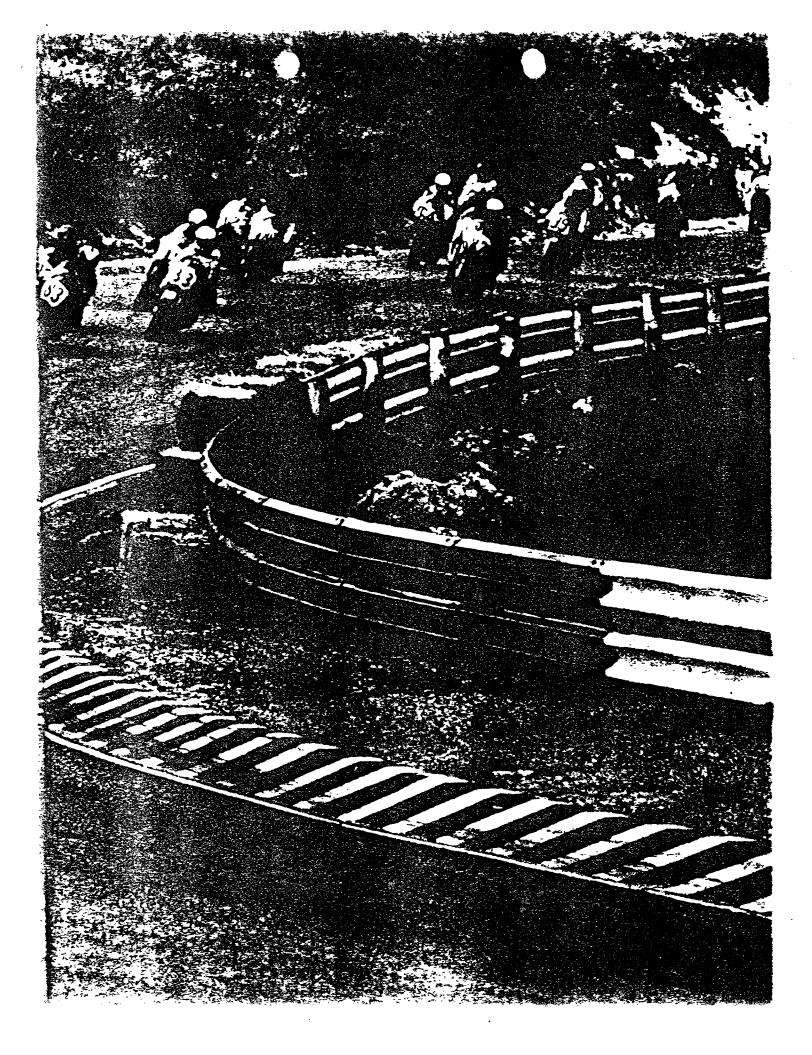
To say that the Laguna Seca Lightweight race was a typical Roberts performance would be saving too much. Gary Scott, after all, rolled Kenny under at Loudon, and he or Don Castro might do it again at Talladega or Ontario. But at Laguna Roberts, with a 4-horsepower increase that Kel Carruthers had reportedly found hiding in an unexplored cavern of the Schnurle, was superhuman. And the Lightweight race was simply a warm-up; in the 75-mile National the competition didn't turn into background, because Kawasaki 750s and Suzuki 750s and Yamaha 700s ridden by other Ace Pilots are always interesting to watch. But the Roberts mastery was the same. So were the results.

The ebb and flow of events at Laguna Seca began this year—traumatically—on Wednesday, four days before the National. Kawasaki had rented the track for an exclusive, uninterrupted test session, and Yvon duHamel, whose Randy Halltuned H2R had been no faster than Gary Scott's 750 Harley-Davidson at Loudon, was clattering around in pleasing proxim-



PHOTOGRAPHY: DALE BOLLER, FREUD FREUDENBERGER, MUSH EMMONS, STEVE FRENCH





ity to Yvon's 1973 track record. But on the final scheduled lap of practice the Kawasaki threw itself to the ground in a fit of pique—on top of duHamel's right hand. "I hate to hurt my hands," Yvon said as he was sipping a coke next to the motel pool the following day. "Whenever I crash I try to keep them from getting torn up. But this time my right hand is caught between the motorcycle and the pavement, and the fingers are twisted like this, and all the meat between them is messed up, and I think one is dislocated."

In the Lightweight race, Roberts avenged his Loudon defeat with a thorough-going victory.

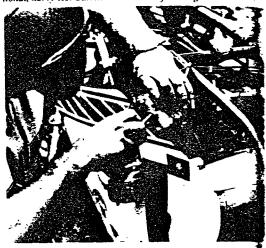


orkscrewed again. Yvon set off to make it heal by Saturday, when he was scheduled to fist-fight a Kawasaki 900 Z1 in the Heavyweight Production race. There were rumors that he simply took his hand to the local heliarc welder and had his damaged fingers Stellited. One way or the other duHamel was sound enough Saturday to deal with the Z1, and by Sunday, with the help of an extra-long front brake lever fabricated by Ken Watkins in Santa Ana and flown to Laguna, duHamel was sounder still, and braver than ever.

Yvon is not the entire Kawasaki team. Hurley Wilvert (and his Australian protègé, Gregg Hansford) and Art Baumann also ride H2Rs: but there are differences. One big one: Art doesn't get paid nearly as much as Yvon, and Wilvert doesn't get paid anything at all. Hurley is, in fact, the only AMA Expert road racer whose entire income comes from track-side pay windows. He had a lucrative Davtona, but things have been thin since then. He was looking to do well at Laguna-not for the glory, not for the press coverage, not to land a spiffier factory ride. Hurley was looking to do well so he and his tuner. George Vukmanovich, could start thinking about eating well. "Hey." said Baumann, "this is supposed to be a team thing. where everybody helps out everybody else. But we don't really function like a team at all. I mean Hurley's one of the great riders and tuners in the world, but if , ds out something that might help all o. as he can't really tell us what it is, because he has to try to beat us as hard as he tries to beat everybody else."

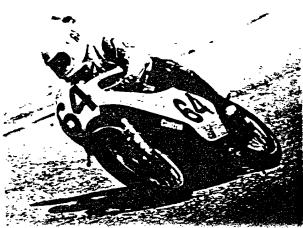
Things seemed a little calmer in the Suzuki pits. As Kevin Cameron reported in the September issue Gary Nixon had ridden his special American-framed Suzuki to a spectacular win at Loudon, and the factory bikes that appeared at Laguna Seca showed traces of the Erv Kanemoto influence: fork rake was exactly between Suzuki's own Daytona geometry and that

When the weather changed right before the National, nervy Kel Carruthers ordered a jet change.



719

duHamel mangled his right hand in an early practise session, but came back for second in Main.



which Nixon and Kanemoto introduced at Loudon. "It goes around corners ok now," Paul Smart reported. "But it has a little problem with straightaways. Tank-slappers." Nixon himself, co-architect of the Loudon win, was resting unhappily back in Maryland. He had been doing some testing on the 108-hp. Suzuki square four 500 in Japan in the company of Ken Araoka when the bike "seized so fast I couldn't even feel it" and plunged him, and Araoka, into a horrible pile-up. Nixon emerged with two severely broken arms, predictions by several doctors that he'd be through for the balance of the 1974 season, and his own clench-jawed resolve to return for Ontario. Kanemoto was at Laguna nonetheless, helping out whoever needed help.

Team Yamaha, with the return of Don Castro (injured after Daytona in the San Diego Cal Rayborn Benefit race), was once again at full strength, the 250s beneficiaries of Kel Carruthers' reaction to the HD/Gary Scott win at Loudon, the whistling 700 Fours sounder and faster week after week, and the riders cool and happy. And then there was the Harley-Davidson team, consisting of Dick O'Brien, Clyde Denzer, Bill Werner, Babe DeMay (tuners) and Gary Scott (rider). Scott had

Gary Scott's HD 250, allegedly detuned for tractability, was not quite up to Roberts' searing Lightweight pace (left).

won the lightweight race at Loudon followed with a win at the San Jose Mile National, another at the Castle Rock TT National and a third at the Ascot TT National. To say that Gary was hot and hungry at Laconia would be like saving Paul Bunyon had some size, or that Attila the Hun enjoyed a fight. With his three consecutive National wins Scott had closed to within 99 points of Roberts' AMA-leading total of 1122. He knew that against Roberts' superior four-cylinder horsepower he didn't have a chance of whipping Kenny at Laguna, but he was anxious to finish high and collect some points. To do it he would have to ride the tires off his Harley. Which is exactly what he did.

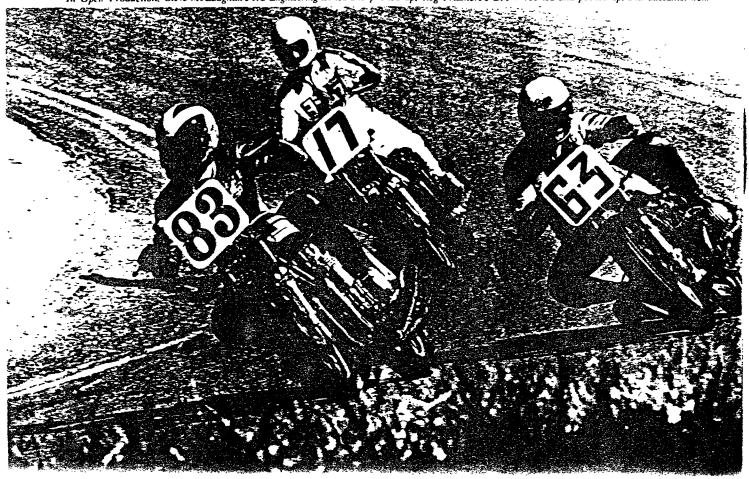
But before that there were numerous events to be run, the first of which concerned the Novices, most of whom, of course, were on Yamahas. The best of them was Skip Aksland, who under the tutorial eye of sponsor Kenny Roberts (Skip's father had sponsored Kenny when he was a voungster; turnabout is fair etc.) buzzed to an immediate and commanding lead and won easy, followed by Don Vesco's Novice, Murray Hoffman, Ted Davidson, Richard Fuller and Darrell Lee.

Next up was the Junior-Expert Lightweight Combined event. Roberts had whipped Scott. Dave Smith, Pat Evans. Ron Pierce and Walt Foster in his heat, and teammate Gene Romero had won the second heat ahead of Don Castro. Mike Clark. Mike Devlin. Pat Hennen and Steve Baker. It was clearly going to be another eyeball-to-eyeball-and-see-who-blinks scorcher between Roberts and Scott. Roberts hardly ever blinks. "The bike was running all right." HD Racing Chief O'Brien said afterwards. "But Gary felt he was being outridden by Kenny in a couple of places on the track. When Gary beat Roberts back at Loudon, Kenny wasn't outriding Gary anywhere."

Nobody could have outridden Roberts on that track, on that day. He was flawless everywhere on the course, completely confident, superior in traffic, and his bike never missed a single 58-hp. beat. When it was over those who had seen the race had seen perhaps the most meticulous road race effort in Lightweight history. Roberts was unbelievable, indomitable, overwhelming. Gary started out close but gradually dropped astern, still well ahead of Don Castro and Pat Evans. Pat Hennen barely squeaked Dave Smith for fifth. Steve Baker was eighth, Ron Pierce brought his new AerMacchi 250 twin in for ninth and Walt Foster was tenth. Who, vou may ask, was seventh? None other than Jody Nicholas, making his first National appearance in two years. Jody was aboard a Vesco Yamaha, and while the rust was apparent so was the beautiful style, the experience and the class. Jody, as you may recall, was a member a while k of the Suzuki factory racing team along with Ron Grant and Art Baumann. In an incredible display of talent he won the Road Atlanta National in 1972 only to have it taken away from him when his team bike was found to be illegal. He rode for the rest of the season for Suzuki, piled up a huge number of Ascot wins on a Norton, had a series of serious crashes and dropped out of AMA competition—and out of sight. It was a treat to see him back in combat; class is always fun to watch.

There was more on the way. After Bob Tigert made a little mistake and crashed his Lightweight Production bike and saw Wes Cooley win, the Heavyweight Production field formed on the grid. DuHamel, sore paw and all, was going to have a go on a Kawasaki Zl, Reg Pridmore was ready with Helmut Kern's new (and obscenely potent) Butler & Smith R90S BMW. Steve McLaughlin was riding a Z1 for RC Engineering, Justus Taylor had another big BMW as did Ron Pierce and Marty Lunde, and Fred Walti and Bob Crossman were piloting still another pair of Z1 Kawasakis for Exhibition Engineering. Predictably McLaughlin, Pridmore and duHamel rocketed to the front. But then Steve's Z1 tied up. And then Ron Pierce's BMW tied up. And then, after a dazzling ride. Reg Pridmore gave the lead back to duHamel and parked his BMW, and Yvon was almost home free. But not quite. Already having difficulty





with his front brake (because of his dam aged hand), the rear brake rod came adrift and Marty Lunde began to close. But there wasn't enough time for Marty and Yvon, his hand bleeding, won convincingly. Fred Walti, after a couple of early-lap tireslides on the downhill off-camber left, settled down for a solid third, and Taylor scrambled in fourth.

Which closed out the activities for Saturday.

After the fog lifted Sunday morning the first of the two Expert heats formed on the grid and exploded up the hill, duHamel in the lead followed by Roberts. Steve McLaughlin on the Mel Dinesen/Motor-Cycle Weekly Yamaha 700. Art Baumann and Don Castro. By the fourth lap Kenny was right in Yvon's stingers. Art had crashed. Smart had moved past McLaughlin and Wilvert was right behind him. A lap later Roberts was in front and despite power-slides and spectator-thrillers there was nothing duHamel could do about it except watch. Smart settled

to third and McLaughlin pinched past Wilvert at the finish line for fourth. In the second heat Gene Romero banged fairings with Dave Aldana for eight laps before getting some breathing room. A thoughtful Pat Evans was third, and New Zealand's John Boote was fourth. Cliff Carr had worked his way up towards the front of the pack before his Suzuki made some expensive noises and was retired to the pits, where it was instantly fitted with a brand new engine.

Pat Hennen, now riding for Sid Damron and Ocelot Engineering, waltzed away with the first Junior heat and won by 11 seconds, and Walt Foster fought past Phil Frank's TZ-700 with his own 350 and picked off the second heat. Running consistent 1:17s in the final Hennen overwhelmed the rest of the Junior field. Larry Bleil and Phil Frank established themselves in second and third halfway through the race and there they stayed. Ed Eaton was fourth. Everybody rode Yamahas.

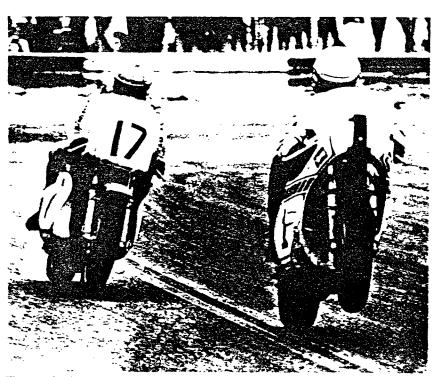
One last issue needed resolving. The

lir : Roberts on the pole. Romero. dui mel, Aldana, Smart; Evans. McLaughlin, Boote, Wilvert, Baker; Scott, Phil McDonald, Warren Willing, Mike Cone. The top of the finishing order was ready for print on lap 6. Roberts was in front, duHamel had gotten past Romero for second, and Paul Smart was right behind. There they stayed for 40 laps: Roberts clicking off one perfect lap after another, duHamel, his right hand shot full of novocain, gallant and trying but down on power and acceleration. Romero professional and riding within his nowbountiful abilities. Smart dead astern and lacking the punch to get by. As the race progressed Roberts drewslowly away from duHamel, Yvon drew slowly away from Romero, and Romero continued to contain Smart.

But back in the pack things were less processional and more passionate. By the tenth lap a six-man tag-team wrestling match was taking place at full volume: the contestants were Pat Evans, Steve Baker, Hurley Wilvert, Gregg Hansford. Dave Aldana and Cliff Carr, with Gary Scott just behind and looking for trouble. Wilvert had marched to the front of the jam by the 19th lap only to have his countershaft sprocket nut come off: Hansford tracked Wilvert towards the front and stayed there; Steve McLaughlin got past Baker and then was forced out when the bolts holding his rear sprocket in place sheared: Steve Baker was holding off Dave Aldana reasonably well until his Yamaha seized; and Cliff Carr moved in behind Aldana and stayed there until his Suzuki vaporized its front brake pucks.

Meanwhile Roberts went around, and Yvon went around, and Romero and Smart went around together. Pat Evans was safely in fifth for the last 15 laps of the race, Aldana was in sixth having dispatched Hansford, and Gary Scott, with an unbelievable effort, had closed to seventh. He would have stayed there for sure except most of the rubber on the left side of his Goodyear slick wadded up into an unpleasant mess near the bead and Gary was forced to slow, letting Hansford's Kawasaki past three laps from the end.

Except for one excursion into the weeds Roberts was perfect for 75 miles. You never see him do anything tentative. like lean his bike over for a corner and fish around for traction. He knows precisely how much traction there is, and where it is, and how far to lean it over to use all of it. When he puts the brakes on he puts them on full-force and all at once, knowing. When he turns the gas on he knows exactly how much power he wants to dial up, and he dials the precise amount with no hesitancy whatsoever. When he commits the 700 to a corner he commits it all at once, totally, knowing absolutely what he's doing. On his roadracer at Laguna he was a computer, and the whirs and clicks coming out of him that day sounded unlike any ever heard before.



The tone for the National was set in the heat race when Roberts got by a determined duHamel.

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FOR MOTORCYCLES CURRENTLY OWNED, PLEASE COMPLETE THE FOLLOWING:	FOR MOTORCYCLES CURRENTLY OWNED, PLEASE COMPLETE THE FOLLOWING:
Answer for most recent purchase if more than one is owned.	Answer for most recent purchase if more than one is owned.
2. What make? A BSA D H-D G Kawasaki J Suzuki B BMW E Hodaka H Norton K Triumph C Bultaco F Honda I Ossa L Yamaha M Other	2. What make? A□BSA D□H-D G□Kawasaki J□Suzuki B□BMW E□Hodaka H□Norton K□Triumph C□Bultaco F□Honda I□Ossa E□Yamaha M□Other
3. What engine size? A ☐ 40-99cc D ☐ 300-399cc G ☐ 600-699cc B ☐ 100-199cc E ☐ 400-499cc H ☐ 700-799cc C ☐ 200-299cc F ☐ 500-599cc J ☐ 800cc & up	3. What engine size? A □ 40-99cc D □ 300-399cc G □ 600-699cc B □ 100-199cc E □ 400-499cc H □ 700€799cc C □ 200-299cc F □ 500-599cc J □ 800cc & up
4. Excluding motorcycle(s) currently owned, had you previously owned a-motorcycle? 1 ☐ Yes 2 ☐ No	4. Excluding motorcycle(s) currently owned had you previous owned a motorcycle? 1 🗆 Yes 2 🗆 No 🥳
If YES:	If YES:
5. What make? (Most recently owned, if more than one.) A BSA D H-D G Kawasaki K Sużuki B BMW E Hodaka H Norton L Triumph C Bultaco F Honda J Ossa M Yamaha	5. What make? (Most recently owned, # more than one.) A □ BSA D □ H-D G □ Kawasaki, K □ Suzuki B □ BMW E □ Hodaka H □ Rostos C □ Bultaco F □ Honda T□ Ossa M □ Yamaha N □ Other
6. What engine size? (Most recently owned, if more than one.) 1 □ 40-99cc	6. What engine size? (Most recently owned, its mere than one.) 1 □ 40-99cc 4 □ 300-399cc 7 □ 680-699cc 2 □ 100-199cc 5 □ 400-499cc 8 □ 700-799cc 3 □ 200-299cc 6 □ 500-699cc 3 □ 5800cc & up
7. Do you plan to buy a new motorcycle within the next 12 months? A 🗆 Yes B 🗀 No	7. Do you plan to buy a new motorcycle within the next 12 months? A 🗆 Yes B 🗀 No
If YES:	If YES:
8. What make are you most seriously considering? (Check ONE.) A BSA D H-D G Kawasaki J Suzuki B BMW E Hodaka H Norton K Triumph C Bultaco F Honda I Ossa L Yamaha M Other	8. What make are you most seriously considering? (Check ONE.) A BSA D H-D G Kawasaki J Suzuki B BMW E Hodaka H Norton K Triumph C Bultaco F Honda I Ossa L Yamaha M Other
9. What engine size? A	9. What engine size? A □ 40-99cc D □ 300-399cc G □ 600-699cc B □ 100-199cc E □ 400-499cc H □ 700-799cc C □ 200-299cc F □ 500-599cc J □ 800cc & up
10. How much do you plan to spend on motorcycle accessories (e.g. protective clothing, goggles, special instruments, tools, mirrors, etc.) within the next 12 months? 1 ☐ Less than \$30 3 ☐ \$50.\$59 5 ☐ \$100.\$149 7 ☐ \$200-\$299 2 ☐ \$30.\$49 4 ☐ \$60.\$99 6 ☐ \$150-\$199 8 ☐ \$300 or more	•
11. What is your age? A □ Under 18 C □ 21 - 24 E □ 35 - 44 G □ 55 - 64 B □ 18 - 20 D □ 25 - 34 F □ 45 - 54 H □ 65 or over	11. What is your age? A □ Under 18
For information on items circle numbers below. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	For information on Rems circle numbers belief: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
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CJESUS Z HOLY DIVINESON CARIST

Exhibit 127



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VOL. 8 NO. 2 FEBRUARY 1974

ROAD TESTS

OSSA 250 EXPLORER 43 Can a trials/trail rider find happiness with a dual-purpose machine that really isn't?

HONDA CB-550 71 Not just improved—really different

SNOW TEST

SPLENDOR IN THE SNOW 31 What to do with your virile twin until spring comes again/Sam Moses

TECHNICAL

BUILD YOUR OWN CAFE RACER 67 If you're really serious, here's how to get maxi results with mini bucks/David Manson

HORSEPOWER & TORQUE 78 Paul Dean & Mac Merchant finally unravel the C6 Road Test

KAWASAKI Z-1 TUNE-UP 84 Mike Capalite explains it so you can't possibly miss

COMPETITION

ALIVE & WELL: BAJA 1000 39 Moses travels into the wilderness and returns with the story you haven't already heard

FEATURE

NEW SUZUKI ROTARY 27 Our Mission-to-Tokyo returns with the only big news from the show

FICTION

FLETCHER'S DILEMMA 48 It's not nice to fool Mother Nature, or the German Police

DEPARTMENTS

WATCH THIS SPACE 4 Things to do with fingers

ABOUT THIS ISSUE 6 Well, it isn't, really

KICKSTAND 10 If you can't say something nice, try this

TOOLBOX 18 Fill those wintry nights with this

QEA 20 He who does not ask is not heard

PERFORMANCE: THEORY & PRACTICE 24 Date Alexander clears up some of last month's confusion

ADVERTISERS' INDEX 101 To memorize

THE BITTER END 102 What to do when the H-D music stops

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COVER

Shot at Tokyo Motor Show by mysterious Oriental who refused to disclose camera, film and exposure

CYCLE GUIDE is published monthly by Quinn Publications. Inc., 16 South Wesley Ave., Mt., Morns, Illinois 61054, principal office 1440 W. Walnut Street, Compton, California 90220. Second-class postage paid at Mt. Morns. Illinois 61054 and additional offices.
SUBSCRIPTION RATES. United States. \$6.00 one year. \$11.00 two years. \$15.00 three years. All other countries add.

SUBSCRIPTION RATES United States \$6.00 one year \$11.00 two years \$15.00 three years. All other countries ad \$1.00 per year to U.S. rate. Single copy rate 750











dealers here in Dallas that more and women are purchasing bikes and accessories than ever before. Our "minority group" seems to grow more visible day by day. In my own experience I have found that, while I may get the horselaugh from the fellow on the bike next to me at a stoplight, the girl on his buddy seat will flash me a wistful, envious little smile. My own guy feels that side-by-side beats two-up touring hands down.

If you're still with me (are you still with me?). I would like to submit a few suggestions for your consideration. A regular monthly feature by a woman, about women, would be too much to hope for, I suppose. A female contributing editor to handle correspondence, etc. from women would be ideal. She could probably dispense encouragement and reassurance in occasional articles. Frankly, I could use some, since I still feel conspicuous and insecure sometimes (don't forget the male biker with the horselaugh). Once or twice a year, it would be nice to see a road test done by an experienced woman cyclist, on a "female-type" bike (the new Honda CB200 comes to mind immediately).

Whew! I certainly didn't intend to be so long-winded, and wish to apologize if I ended up seeming militant after all. I meant this letter to give out only good vibes and hope you accept it in the spirit in which it was written. I would enjoy

aring from you to get your reactions concerning this subject.

Susan F. Kennedy Dallas, Texas

AND A PARTRIDGE IN A PEAR TREE

Dear Sirs:

After buying the December issue of Cycle Guide. I was disappointed. Throughout the year, you haven't tested one Harley-Davidson, one Triumph (except the Trident in the Superbike Showdown) or one BSA. Seems strange doesn't it, especially since you had time to test nine Yamahas, seven Hondas, four Kawasakies, three Suzukis, two Bultacos, two Pentons, one BMW, one Montesa, one Ossa, one Norton and one Husqvarna. Surely a Harley or a Triumph could've been fit between all those Yamahas. I'm not knocking these companies, they're all pretty good, but how about making it a little more fair. So let's have a few more Harleys or Triumphs, O.K.

> E. Scanlon Northampton, Mass.

Hah! You want BSA test? You haven't been keeping up. Only Pete Colman knows how we have tried to get a Triumph for a test. The Guzzi people don't answer the fone. We asked for a Harley Sportster for this month's Snow Job story without success and Cycle magazine staffers own all the Ducati 750s in the country. What else you wanna know?...ed.

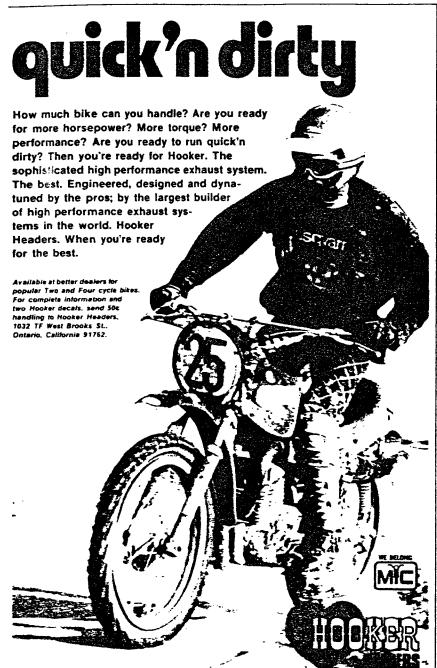
THINK ABOUT IT

Dear Sirs:

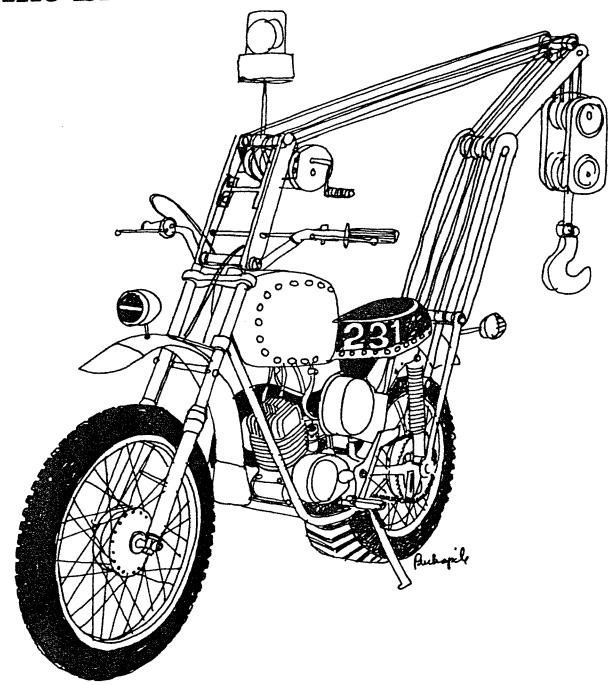
I wish to compliment you on your article on helmets in the November edition. Five weeks ago, I was coming home at about one in the morning on my small Kawasaki trail bike when we had an argument over how to take a turn. The bike won and I did a great one point landing on my face. I lost the better part of two teeth. got thirteen stitches in my chin and lip and took a good amount of skin off my face, my knees, my elbows, and wrists. If I had been wearing a full-face helmet (mine was shattered on the forehead) I probably wouldn't have lost the teeth or got the stitches. I plan to get a full-face helmet and a new bike (mine still works but needs a lot of new parts). I am only 15 years old and wouldn't be here now if it wasn't for my helmet; so even if it didn't pass the Snell test, it still saved me from getting my head busted.

Fred MacPhail Bonshaw PEJ, Canada

And that's what counts, Fred . . . ed.



1032 W. BROOKS STREET, ONTARIO, CAUF. 91762



The Harley Hooker Or The Hog Hauler

You may recall that in those wonderful World War II movies, wherever there were tanks, there were tank retrievers. The tanks were so heavy and awkward that once they got into trouble it took a vehicle of at least equal, if not larger, proportions to free them.

It is my belief that there should be a regulation requiring any group of four or more Harley riders to be accompanied by at least one Harley Hooker. This would ease the tremendous strain currently put on AAA tow trucks. The savings in hernias among the riders themselves would be fantastic... Purk